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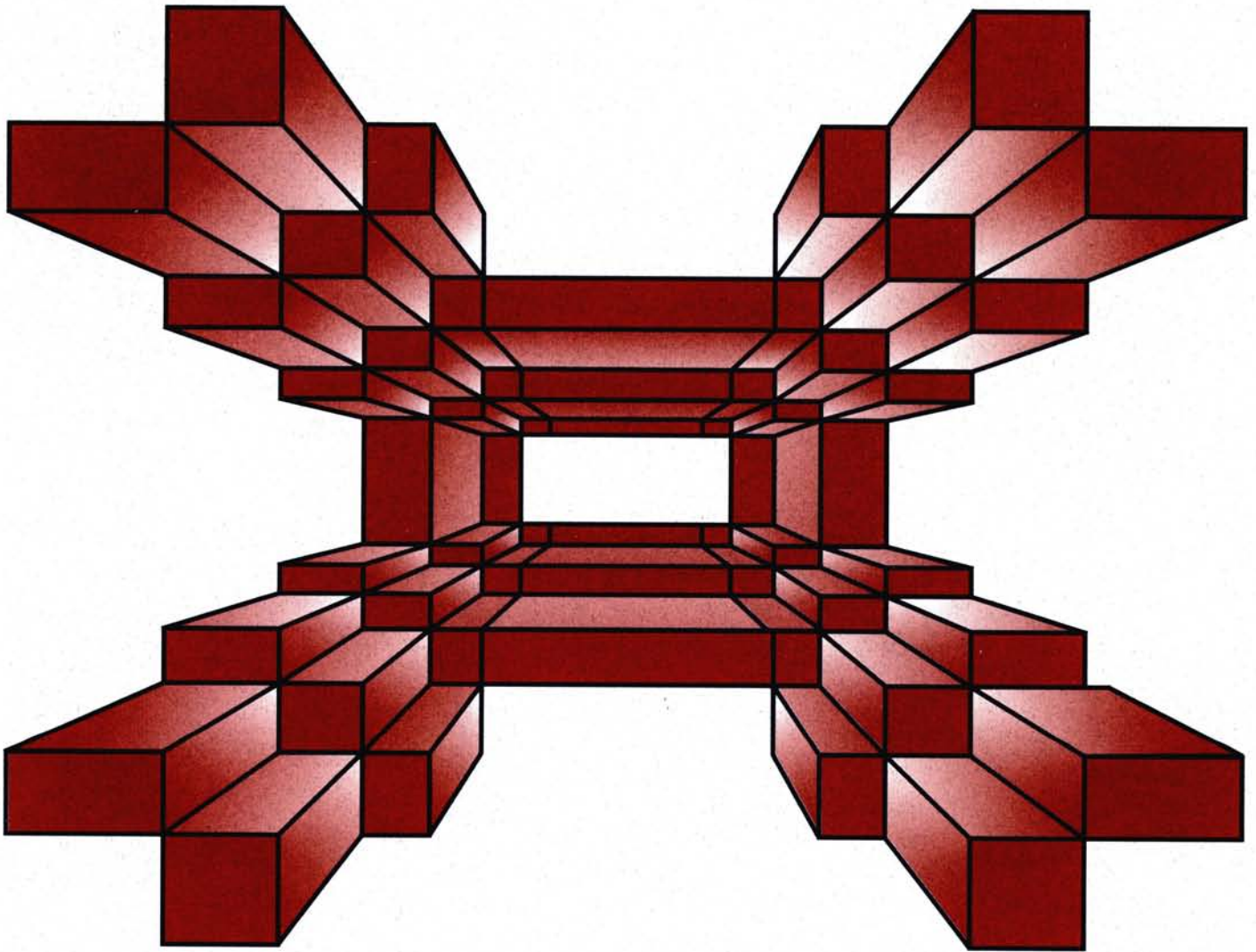
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BUSINESS OUTLOOK

for West Michigan



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BUSINESS OUTLOOK

for West Michigan

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WEST MICHIGAN VIEWPOINT

1998 and 1999 Employment Outlook for West Michigan

Looking back, it is clear that 1997 will be long remembered as one of the greatest *economic* years ever, nationally as well as locally. The Gross Domestic Product (GDP) flew at a 3.8 percent clip. Moreover, with prices grounded for the year, the GDP implicit price deflator increased only 2.0 percent in the year, and the Consumer Price Index moved up only 1.7 percent. The nation's employers hired 3.2 million additional workers during the year, and the national unemployment rate dropped from 5.3 percent to 4.7 percent.

In West Michigan's three metropolitan areas, last year's performance was equally impressive: total employment grew 2.4 percent, outdistancing the state's gain of 1.5 percent. Employment in the region's goods-producing industries was up 2.1 percent, while statewide, employment inched up only 0.7 percent. The region's strong employment gains pushed its unemployment rate down to 3.3 percent in the fourth quarter and reduced the ranks of the region's unemployed by nearly 17 percent during the year.

A closer look at West Michigan reveals that the metropolitan areas did not share the same growth trajectories, however. The Grand Rapids-Muskegon-Holland MSA soared. Total employment in the four-county area jumped 3.2 percent in 1997, powered by a robust manufacturing sector that hired 4,200 more workers, an increase of 2.6 percent. In comparison, employment in manufacturing statewide fell by 1.3 percent, as employers reduced their payrolls by nearly 9,000 workers. In the Kalamazoo-Battle Creek and Benton Harbor MSAs, the year's performance was more modest. Total employment in the three-county Kalamazoo-Battle Creek MSA increased only 0.9 percent, and in the Benton Harbor MSA, total employment rose 1.0 percent.

NATIONAL OUTLOOK

As in previous years, we incorporated the University of Michigan's national forecast into our regional forecast for the West Michigan metropolitan areas. This year the university's forecast is in agreement with nearly all national forecasts in denying the possibility that the national economy can repeat 1997's performance. The national economy is expected to continue to expand during the next two years but at a slower rate. The university's forecasters are calling for GDP to increase 2.5 percent in 1998 and by a lesser 2.2 percent in 1999. Despite the slower growth, the nation's unemployment rate is expected to stay at or below 5 percent during the next two years. Prices and interest rates will remain close to the ground. Prices are expected to increase only 1.5 percent; short-term rates are expected to hold steady at 5.0 percent and long-term rates at 6.0 percent.

Finally, car and light truck sales are forecast to remain at 15.1 million units for both years.

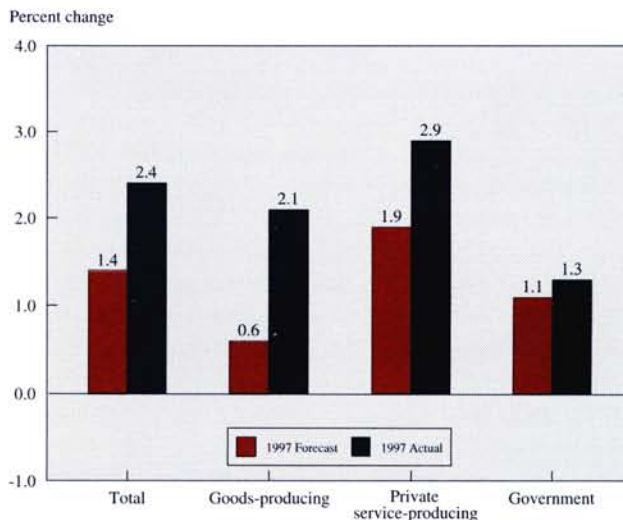
While the domestic economy seems very solid, the international environment is weakening. The full impact of the financial and economic crisis in Southeast Asia has not yet been felt and may be more widespread than it first appears. As Southeast Asian countries attempt to restructure their economies, export industries in many countries, including the United States, may find themselves with excess capacity. Moreover, if the Southeast Asian countries attempt to export their way out of their problems, U.S. manufacturers may face extremely stiff competition. In short, 1998 could be a tough year for the nation's goods producers.

REVISITING LAST YEAR'S FORECAST

"When business is bad, partners argue." Our 1997 Western Michigan forecast, which was far too pessimistic (as shown in Chart 1), was in error in part because of the timidity of last year's University of Michigan national forecast, on which we base our own. The university's forecast called for the national economy to grow only 2.4 percent in 1997, a full 1.4 percentage points below its actual rate of 3.8 percent. However, in all fairness, we cannot blame the university's forecasters for the error in our forecast (although we would like to).

As can be seen in Chart 1, the principal source of last year's forecast error can be found in the region's robust goods-producing sector. We had forecast a mild 0.6 percent

Chart 1
West Michigan Employment Revisited



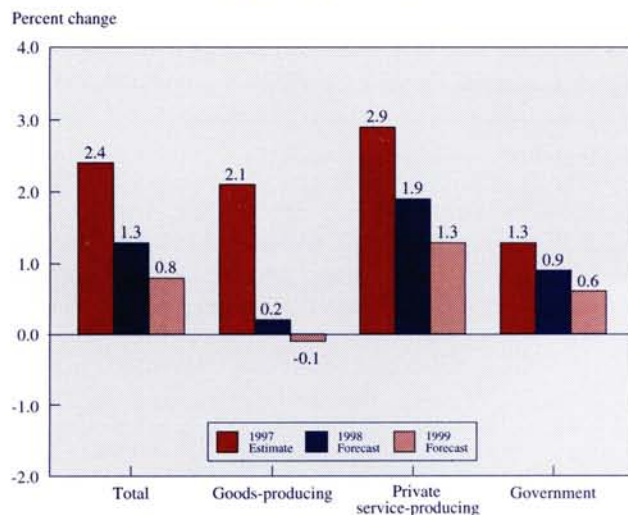
increase in the sector's employment, but the region's goods-producing employers enlarged their workforce by 2.1 percent. Not only did we underestimate the strong 3.0 percent increase in goods-producing employment in the Grand Rapids-Muskegon-Holland MSA, we were also far too pessimistic about Kalamazoo-Battle Creek MSA. Employment in the area's goods-producing sector dropped by only 0.2 percent during the year, whereas we had erroneously forecast a much larger 1.6 percent decline.

Our forecast error in the region's goods-producing sector spilled over to our underestimation of the service-producing sector due to the employee multiplier effect. As the region's goods producers brought in more revenues and hired additional workers, the region's consumer expenditures grew, generating more retail and personal service jobs, as did the region's manufacturers' demand for business services.

1998 AND 1999 EMPLOYMENT FORECAST

Since the national economy is expected to slow to a more sustainable rate in 1998 and 1999, it should come as no surprise that we anticipate slower growth in West Michigan. We are forecasting total employment to increase by 1.3 percent in the region during 1998 and by another 0.8 percent in 1999.

Chart 2
West Michigan Employment Forecast



We expect employment in the area's goods-producing sector to be flat in the coming two years, increasing a modest 0.2 percent this year, followed by a small decline of 0.1 percent in 1999. We are forecasting such a radical change from last year's strong 2.1 percent increase in goods-producing employment because of the following factors.

- Auto and light truck sales have plateaued, with imports expected to take a larger market share this year, and productivity improvements that are being demanded by auto companies from their suppliers will limit employment gains.

- This year's export sales will be dampened by the increase in the value of the dollar relative to other major currencies and by the Southeast Asia crisis.
- The region's low unemployment rate will make it difficult for the region's goods-producing sector to fill job vacancies, let alone find additional workers.
- Announced employment reductions in the region.

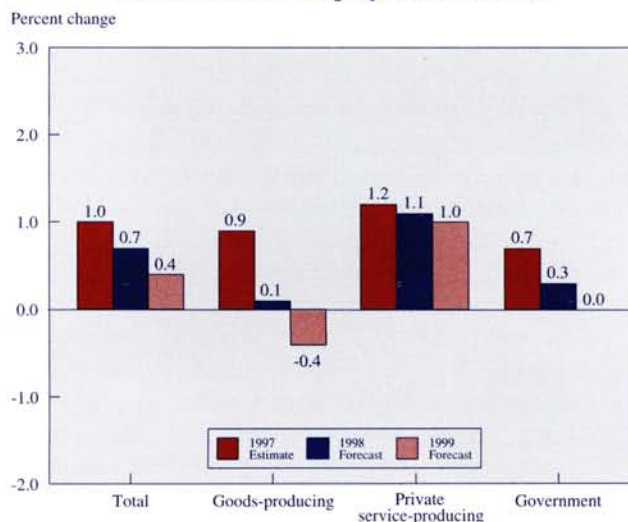
Employment in the region's service-producing sector is expected to increase by 1.9 percent in 1998 and by 1.3 percent in 1999. Smaller spillover effects from the area's slower growth in the goods-producing industries, in addition to large employment reductions expected in the Kalamazoo-Battle Creek MSA (First of America) and Benton Harbor MSA (Whirlpool Financial Corporation), will contribute to the sector's slower pace. Government employment is expected to grow only slightly below its current rate.

Of course, the region's forecast is simply a sum of our area-specific forecasts. While employment growth is forecast to slow across all three metropolitan areas, it is not expected to be uniform.

Benton Harbor

The Benton Harbor MSA grew by 1.0 percent in 1997. We forecast that employment will increase by 0.7 percent in 1998 and by a more modest 0.4 percent in 1999. The expected slowdown in the national economy is the prime factor in our forecast for the area. However, the estimated employment impact of Transamerica Distribution Finance Corporation's purchase of Whirlpool Financial holds expected employment growth in the service-producing sector to 1.1 percent in 1998. Finally, the lack of foreseen population growth in the county contributed to the minor employment gains expected in the area's government sector.

Chart 3
Benton Harbor Employment Forecast

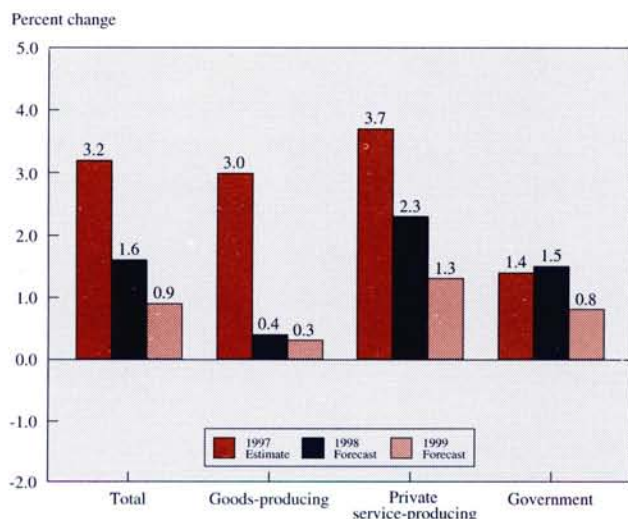


Grand Rapids-Muskegon-Holland MSA

Employment growth in the Grand Rapids-Muskegon-Holland MSA during 1997 was nothing short of outstanding. Total employment climbed 3.2 percent and was powered by robust goods- and service-producing sectors. We forecast that the four-county area will continue to outperform the state and West Michigan's other metropolitan areas, but its pace will be slower. Total employment is expected to increase by 1.6 percent in 1998 and by a more moderate 0.9 percent in 1999.

The area's slower employment growth is rooted in our forecast for a substantial slowdown in its goods-producing sector, from 3.0 percent in 1997 to only 0.4 percent this year and 0.3 percent in the following year. We cannot attribute the slowdown to any one industry or firm; issues affecting the forecast included 1) stable sales conditions in the auto industry, 2) significant softening in major export markets, and 3) area labor constraints.

Chart 4
Grand Rapids-Muskegon-Holland
Employment Forecast



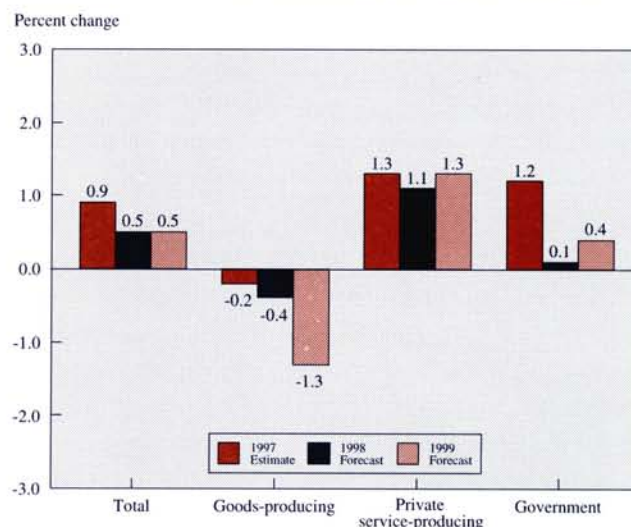
Employment in the area's service-producing sector is expected to increase by a still robust 2.3 percent in 1998, and employment in government is forecast to be up 1.5 percent. Much of the gains expected in both sectors is due to the area's strong population growth, especially in Ottawa

County. Both sectors are expected to slow in 1999 due to the foreseen slowdown in the area's goods-producing sector.

Kalamazoo-Battle Creek MSA

The Kalamazoo-Battle Creek MSA continues to be hit by major downsizing announcements. The three largest announcements are in Kalamazoo County: Pharmacia & Upjohn transferring up to 600 jobs to New Jersey, General Motors closing its Comstock Township plant in 1999, eliminating up to 1,300 jobs, and First of America consolidating its employment levels after merging with National City Corporation. In addition, the area's struggling paper industry is expected to continue reducing its workforce in the coming two years.

Chart 5
Kalamazoo-Battle Creek Employment Forecast



Given these negative local factors, we forecast employment to increase by only 0.5 percent in the metropolitan area in 1998 and the same in 1999. Employment in the area's goods-producing sector is expected to be down 0.4 percent in 1998 and by a larger 1.3 percent in 1999 due to the closing of the General Motors' plant. Employment in the area's service-producing sector is expected to increase 1.1 percent this year, despite the estimated employment reductions at First of America. Finally, government employment is forecast to increase only slightly in the coming two years, due in large part to the area's modest population growth.

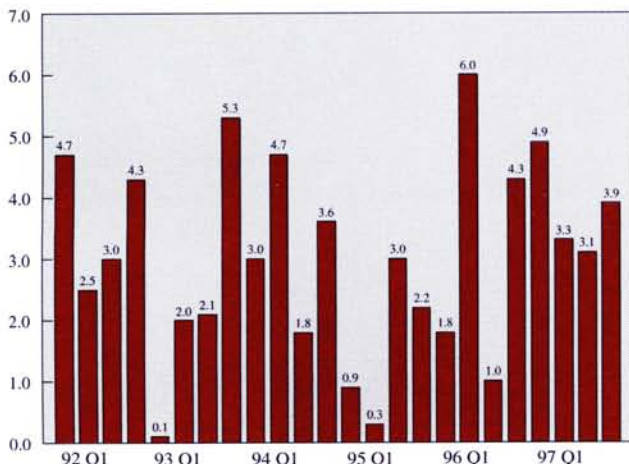
NATIONAL ECONOMY

OUTPUT

Pushed by a robust fourth quarter, the nation's economy grew 3.8 percent in 1997, its best performance since 1988. During the final quarter, the nation's Gross Domestic Product (GDP) increased at a 3.9 percent average annual rate, topping its strong 3.1 percent pace of the third quarter. The fourth quarter marked the fifth quarter in a row that the economy has sped past the commonly accepted long-term sustainable growth rate of 2.5 percent, yet prices have held steady. In the fourth quarter, the GDP implicit price deflator increased only 1.4 percent.

Gross Domestic Product (seasonally adjusted annualized rate)

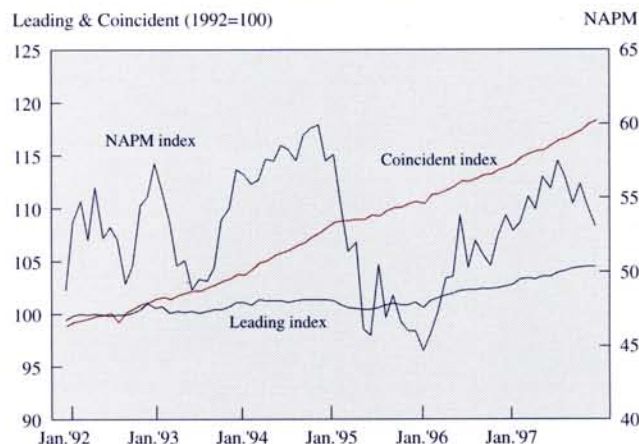
Billions of chained 1992 \$



The economy generated some surprises in the fourth quarter. As expected, consumer spending continued to be strong, contributing 2.1 percentage points to the quarter's 3.9 percent average annual growth rate. However, fixed investment spending was a no-show, and government spending contributed only 0.1 percentage points to the quarter's growth. Net exports contributed 0.3 percentage points. Exports increased at a strong 10.0 percent annual rate, while imports grew at a 6.4 percent annual rate. Given the rising value of the dollar relative to most other currencies, net exports cannot be expected to offer a similar push in the coming quarters.

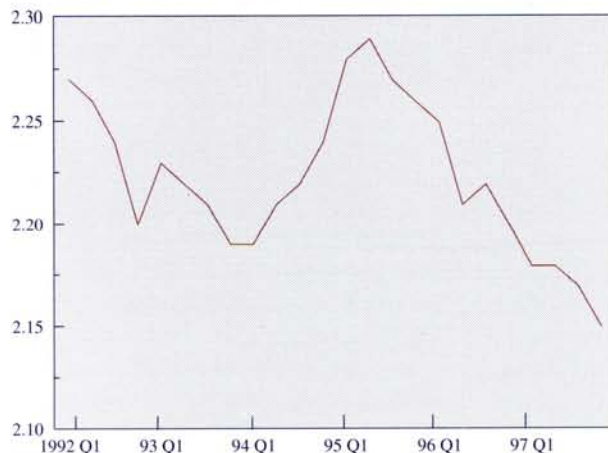
Inventories grew sharply in the fourth quarter and were a major factor in output performance. The build-up in inventories accounted for 1.4 percentage points of the quarter's growth rate. Nevertheless, the ratio of nonfarm inventories to final sales continued to fall. This ratio has been steadily declining since reaching a high of 2.29 in the second quarter of 1995.

Cyclical Economic Indicators



The domestic economy is growing at a lower and more sustainable rate than the GDP statistics indicate, however. Ignoring the quarter's strong export sales and its inventory build-up, final sales to domestic purchasers rose at the sustainable rate of 2.1 percent.

Ratio of Nonfarm Inventories to Final Sales

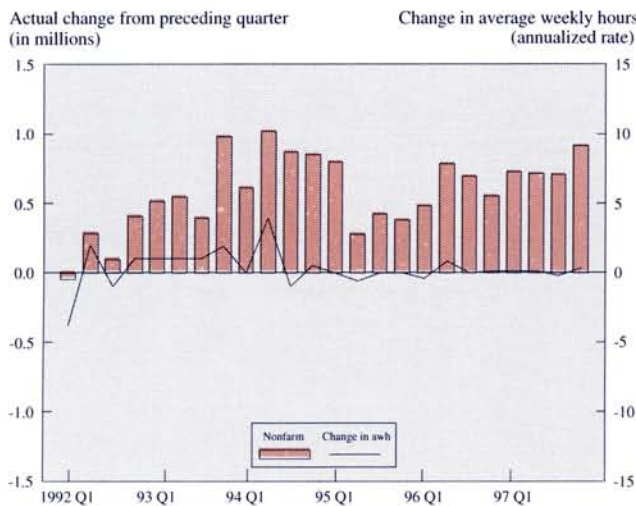


Recent indicators support the predictions of most economic forecasters that the nation's economy will slow to a more sustainable level in 1998. The Index of Leading Economic Indicators was at a standstill in December. The National Association of Purchasing Management (NAPM) Purchasing Managers' Index has declined during the past four months and stood at 52.4 in January. In addition, factory orders fell sharply in December. Still, this index is above 50, which reflects a growing manufacturing base, and the NAPM's New Orders Index was up in January, suggesting that future manufacturing activity should remain strong. In addition, the Index of Coincident Indicators rose 0.3 percent in December. Clearly, the economy entered the new year in high gear.

LABOR MARKETS

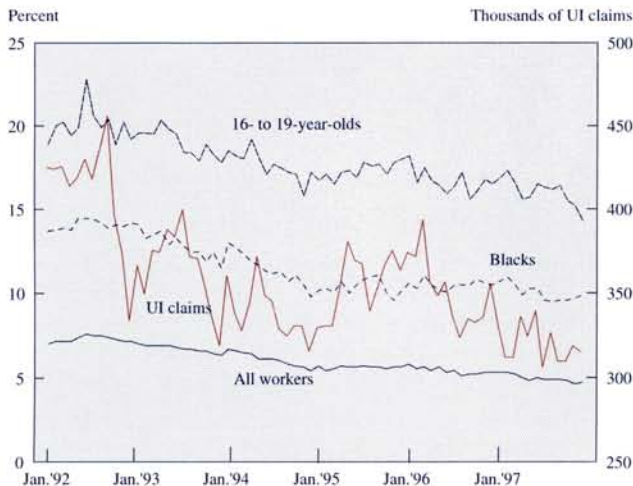
The fourth quarter's jump in output was matched by strong employment gains. During the final quarter of 1997, employers added 912,000 workers to their payrolls. Employment gains in the fourth quarter were broadly based. Manufacturers increased their payrolls by 91,000 workers, retailers by 190,000 workers, and service providers by 359,000 workers. The fourth quarter's average monthly gain of 304,000 jobs was above the average for the year, 267,000 jobs. In January, employers increased the pace, adding another 358,000 jobs, and the nation's unemployment rate stayed at its fourth-quarter level of 4.7 percent.

Nonfarm Employment and Change in Average Weekly Hours



The nation's low unemployment rate is enticing more and more individuals into the labor force. The nation's labor force participation rate reached 67.3 percent in January, a new high, yet the unemployment rate for the nation's more vulnerable populations also remains high. For African Americans, the unemployment rate stood at 9.7 percent, up

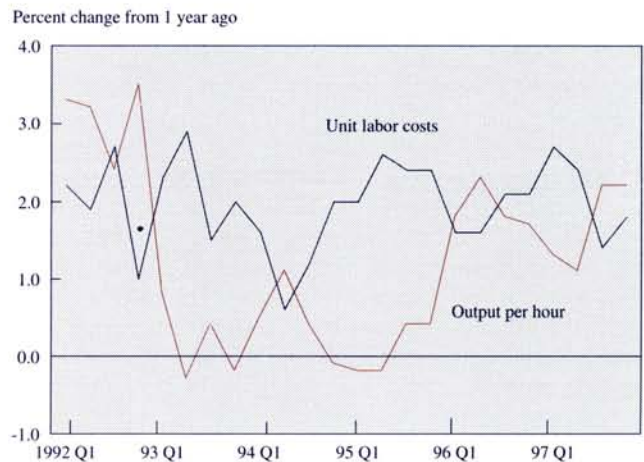
Unemployment Rates and Initial Claims



slightly from the previous quarter, while teenagers face a 15.0 percent joblessness rate.

Not surprisingly, with the nation's tight labor market, real compensation per hour is on the rise. In the fourth quarter, real compensation per hour rose 2.1 percent from the same quarter of 1996 and has increased steadily during the past five quarters. For the year, real compensation increased 1.5 percent, up from 0.8 percent in 1996 and from a negative 0.3 percent in 1995. Furthermore, the nation's employment cost index, which monitors changes in wages and benefits, rose 1 percent in the fourth quarter, its largest increase in five years.

Productivity and Unit Labor Costs (Fixed-Price Index)



Still, due to strong productivity gains, unit labor costs have held fairly steady. Output per hour of work rose by 2.2 percent in the fourth quarter over the year before, matching its third-quarter performance. Productivity in manufacturing increased 4.4 percent during the four quarters of 1997. Due to these productivity gains, unit labor costs rose only 1.8 percent in the fourth quarter, which was up from its third-quarter level of 1.4 percent but still lower than the pace recorded in the three earlier periods.

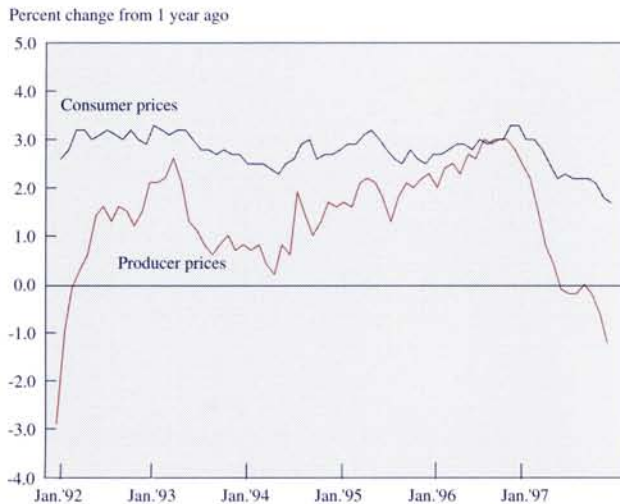
According to Manpower Incorporated's fourth-quarter polling of 16,000 businesses, employment conditions will remain strong during the first quarter. Manpower found that nearly one-fourth of the firms surveyed plan to hire more workers in the first three months in 1998, the strongest first-quarter response in the survey's 21-year history.

Finally, the nation's tight labor market may be pushing more employers into being involved in workplace training partnerships with their area schools. According to a telephone poll administered by the U.S. Census Bureau, 26 percent of the nation's businesses are involved in school-to-work programs, with 25 percent participating in job shadowing, 23 percent providing internships, 22 percent offering mentoring, and 14 percent providing apprenticeship programs.

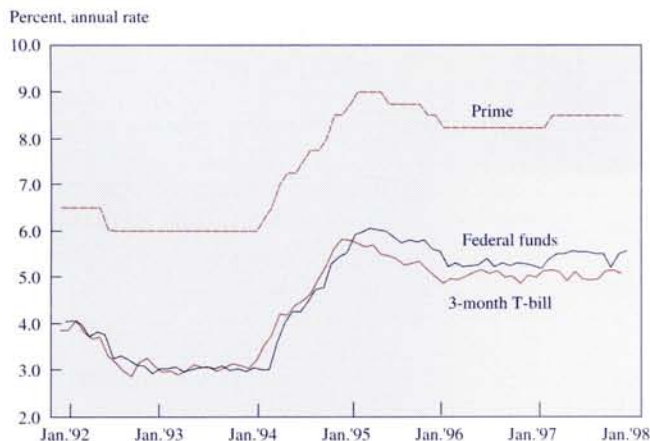
INFLATION AND INTEREST RATES

At its January meeting, the Federal Reserve Bank (Fed) kept its target for the federal funds rates at the 5.5 percent it established in March 1997. Most analysts expected the Fed's inaction due to 1) financial uncertainty generated by the economic crisis in Southeast Asia and 2) the lack of evidence that domestic prices are rising. The GDP implicit deflator, the government's broadest price index, rose only 1.5 percent in the fourth quarter. For all of 1997, the index rose 2.0 percent, below the 2.3 percent rise reported in 1996.

Price Indexes



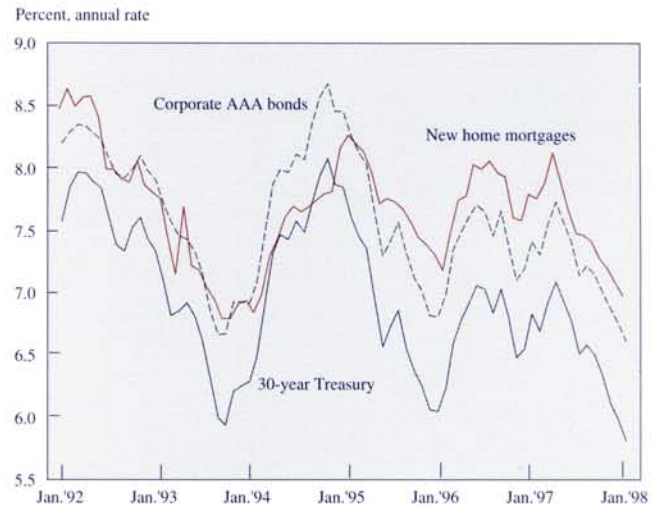
Short-Term Capital Rates



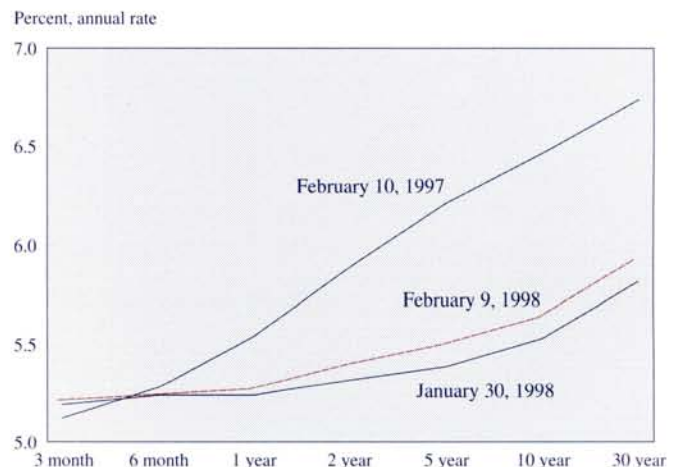
The Consumer Price Index (CPI) rose only 1.7 percent in the 12-month period ending in December. Producer prices fell 1.2 percent in the 12-month period ending in December. While this is good news for shoppers, falling producer prices accompanied by rising unit labor costs could mean a profit squeeze for many businesses.

Except for labor, most factor costs are either stable or falling. According to the NAPM's January polling of the nation's purchasing managers, commodity prices are declining. Moreover, no commodities were listed in short supply, and prices for aluminum, copper, fuel oil, polypropylene, and steel were down.

Long-Term Capital Rates



Yield Curves



A major factor keeping the nation's commodity prices low is falling prices in international markets: industrial commodity prices are down nearly 10 percent since last September. Part of the fall may result from the economic crisis in Southeast Asia. Worldwide commodity producers may have been building industrial capacity solely in anticipation of continued Southeast Asian growth.

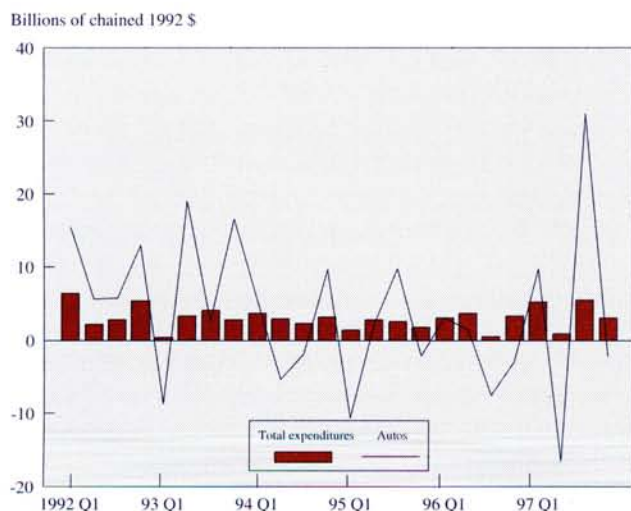
Given stable if not declining prices, interest rates have remained stable, with the spread between long-term and short-term rates continuing to narrow. Lower mortgage rates have triggered a new wave of home refinancing and have helped fuel residential construction. However, businesses did not take advantage of the lower rates to increase investments during the fourth quarter.

The spread between 90-day Treasuries and 10-year bonds in January, 0.41 percentage points, was less than half of what it was in September (1.13 percentage points). According to a New York Federal Reserve Bank model, the decline in spread increases the probability of a recession in the next four quarters from less than 5 percent to greater than 15 percent.

CONSUMER SPENDING

Consumer spending increased at a healthy 3.1 percent average annual rate in the fourth quarter and by 3.3 percent for all of 1997. Robust consumer confidence, solid employment and income growth, improving financial conditions of many households, and steady (if not falling) prices all suggest that shoppers will be plentiful in the coming months.

Growth in Consumer Spending
(seasonally adjusted annualized rate)

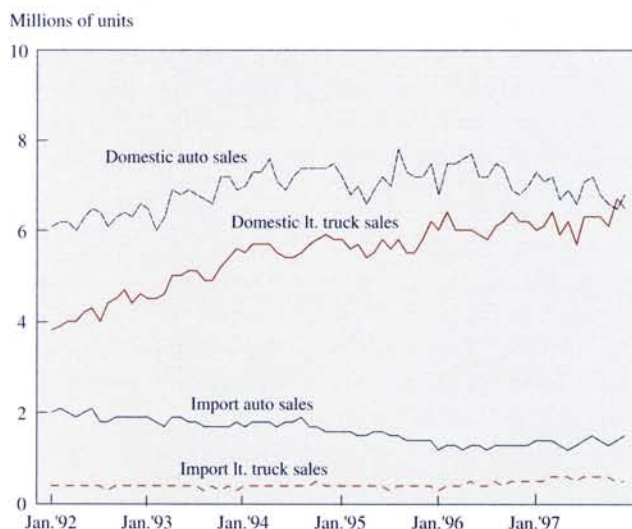


The January reading of consumer sentiment by the University of Michigan indicated that consumers are still very bullish about the national economy and contradicted the findings of the Conference Board poll, which revealed a drop in consumer confidence. While the Conference Board suggested that drop reflected apprehension regarding financial instability overseas, it also restated that the January reading was still very high, historically.

In December, personal income rose 0.4 percent after climbing 0.7 percent in November. Personal income, unadjusted for inflation, rose 5.8 percent in 1997, up from a 5.6 percent gain in 1996. Moreover, as stated previously, real compensation rose 2.1 percent in the fourth quarter from the same quarter a year earlier. The financial conditions of many households are improving. Quarterly additions to consumer installment debt continue to decline, and the ratio of consumer installment debt to disposable personal income is holding steady.

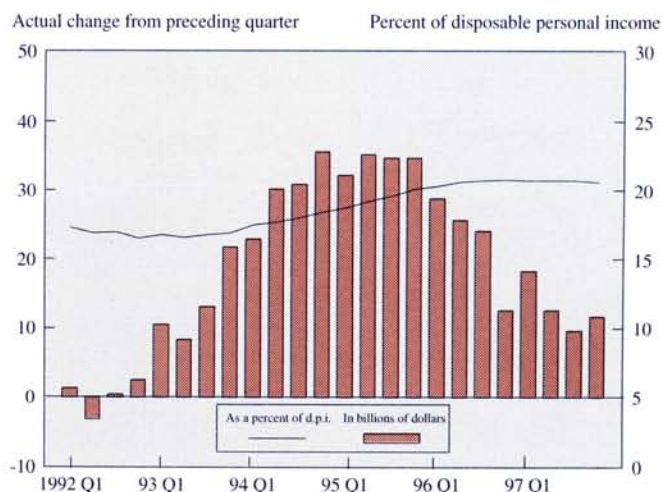
While consumer expenditures overall were strong in the fourth quarter, consumer spending on goods was down sharply from the previous period. Spending on consumer services rose at a strong 5.4 percent annual rate in the quarter, being pushed by a 9.8 percent increase in spending on household operations. However, consumer spending on durable goods rose only at a 1.7 percent annual rate, while spending on nondurables fell 1.0 percent.

Motor Vehicle Sales
(average annual rates)



Consumer expenditures on motor vehicles fell at a 2.2 percent annual rate in the fourth quarter. However, the quarter witnessed a first: in November, light truck sales exceeded car sales for the month. In January, General Motors reported a 6.2 percent decline in car sales, while Ford suffered a 10.6 percent decline. Given falling gasoline prices, small cars are becoming very difficult to move. General Motors had a 35 percent drop in its smaller car segments in December. In fact, production schedules for Saturns, one of the more respected small cars, have been cut back in recent months.

Consumer Installment Debt



Another factor is that good-quality, relatively inexpensive, used mid-sized cars are continuously entering the market as leases expire, competing with the sales of new, low-price, small cars. Industry-wide sales of cars and light trucks in January declined 6.6 percent from a year earlier to a 14.5 million unit pace.

INVESTMENT

Investment spending in the fourth quarter was at a standstill. Some analysts suspect that businesses are worried about existing global overcapacity in many industries and therefore have not taken advantage of low interest rates to purchase more machinery or expand their production facilities. Investment spending on nonresidential structures fell at a 4.3 percent annual pace, while spending on producer durables declined at a 3.3 percent annual rate. Fortunately, part of the decline can be contributed to businesses simply catching their breath: during the third quarter, investment spending on structures rose at a 6.7 percent rate, while expenditures on producer durables soared at an unsustainable 24.1 percent annual rate.

New Residential, Commercial, and Industrial Construction (seasonally adjusted annualized rate)

Billions of current dollars

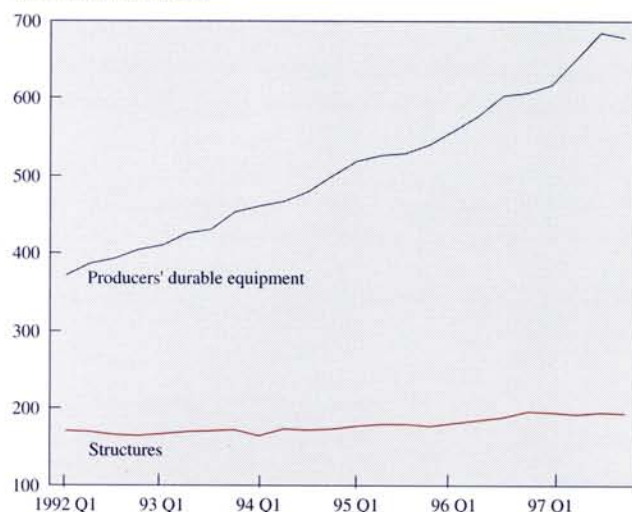


Nationwide, capacity utilization rates are rising but remain below the 85 percent level that has historically been associated with rising costs due to production bottlenecks. In the third quarter of 1997, manufacturers were using 83.3 percent of their total capacity, up from 83.1 percent in the second quarter. However, the nation's steel mills, paper mills, and makers of industrial machinery and equipment were running at capacity utilization rates of 90 percent or more. Still, without the incentive of higher prices and given the constant threat of low-priced imports, businesses in these industries apparently are hesitant to expand their production capacities despite their high utilization rates.

A closer look at the quarter's investment spending revealed continued spending on information processing equipment (including computers) but a sharp drop in spending on transportation equipment. Spending on computers

Plant and Equipment Expenditures (seasonally adjusted annualized rate)

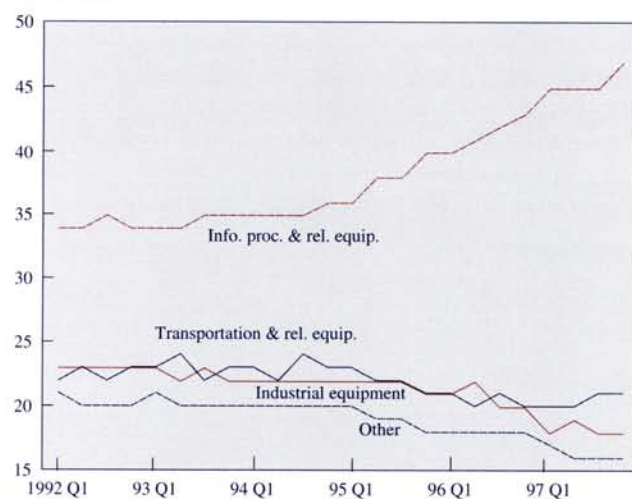
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and the like rose at a 14.5 percent annual rate in the quarter, but spending on transportation equipment fell at an 18.5 percent annual rate. Investment spending for computers and other information processing equipment accounted for more than 47 percent of all producers' durable equipment expenditures during the fourth quarter.

Nonresidential Investment Composition in Producer Variables

Percent of total



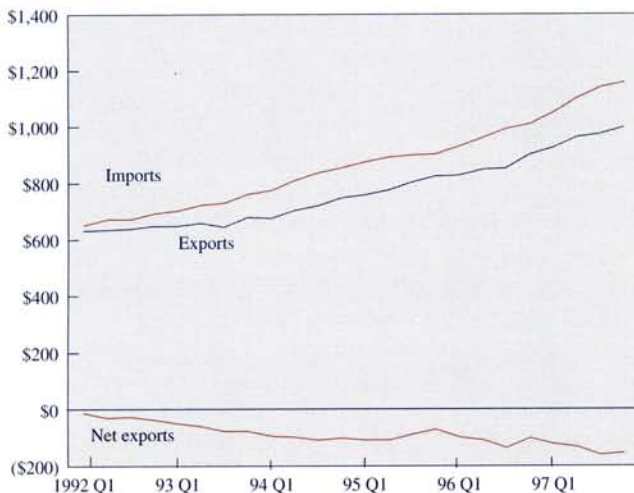
Residential investment rose at a 9.7 percent annual rate in the fourth quarter. New home sales fell 9.7 percent in December, the largest monthly drop in more than two years. Still, despite the year-end slip, home sales increased 5.7 percent in 1997, and the year's total sales of 800,000 homes was the industry's best since 1978. Analysts expect low mortgage rates will keep the market active through 1998.

INTERNATIONAL TRADE

The nation's trade deficit narrowed slightly in the final quarter of 1997; however, the financial turmoil in Southeast Asia will likely cause our trade gap to expand during at least the first and second quarters of 1998. During the final quarter of 1997, exports grew at a strong 10.0 percent annual average rate, while imports increased at a 6.4 percent annual rate. However, these trends may change quickly. According to the NAPM January survey of purchasing managers, monthly exports did not increase for the first time in 24 months. Moreover, 53 percent of the surveyed purchasing managers expect a decline in export orders during the first quarter.

U.S. Trade in Goods and Services (seasonally adjusted annualized rate)

Billions of chained 1992 \$



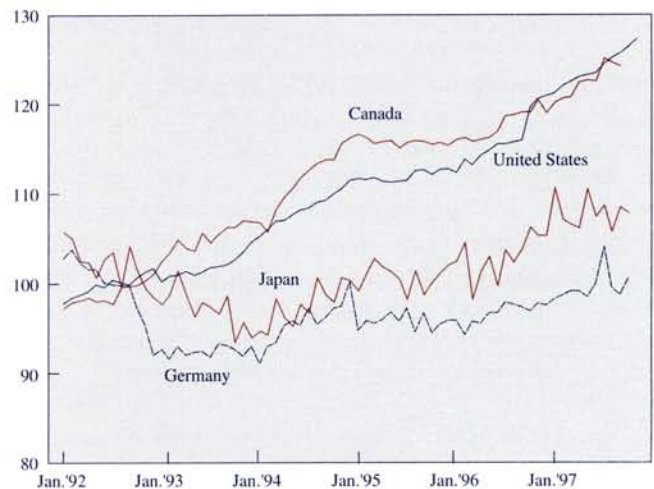
Southeast Asia's financial troubles are being attributed to an overvalued real estate market and to the fact that several of the countries had attempted to peg their currencies to the U.S. dollar. As the dollar has risen in value relative to other major international currencies during the past two years, these countries' exports have become increasingly uncompetitive internationally. From July of last year to the first of February, the Indonesian rupiah has plunged about 76 percent against the dollar and the Korean won has tumbled by 45 percent. The Thai and Malaysian currencies have been in similar free falls. Given the drastic devaluation of their currencies, businesses and institutions are finding it extremely difficult to repay short-term foreign debt obligations.

The fallout from this crisis will most likely dampen the nation's rate of growth in the coming year. Nearly 29 percent of U.S. goods exports went to Asian markets in 1997, compared with 22 percent in 1980. On the other hand, 39 percent of U.S. goods imports now come from Asian producers, compared with 25 percent in 1980.

Export sales will be negatively affected by the rising value of the dollar relative to other currencies. In fact, U.S.

International Industrial Production (seasonally adjusted annualized rate)

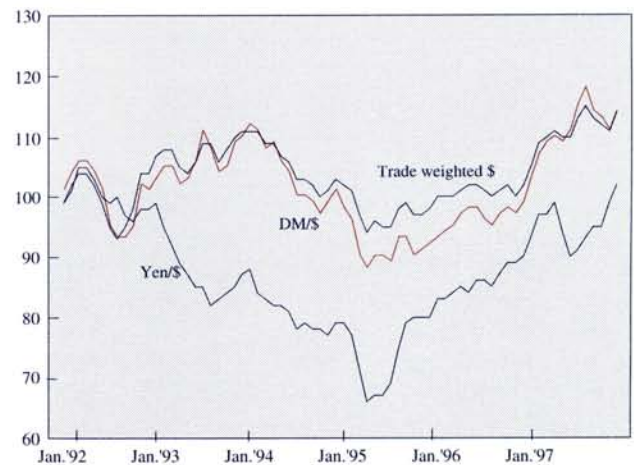
Index: 1992=100



exporters face two separate, but related, negative effects: their exports to Asia will decline and they will face stiff competition from lower-priced Asian goods in third-country markets where the currencies have maintained their value relative to the U.S. dollar. In addition, if the Southeast Asian countries adopt harsh domestic economic policies to curb excessive spending, the demand for U.S. exports will decline. A related problem is that other nations' growth also depends upon growing Southeast Asian markets, increasing the fear that there may be a growing level of global excess capacity.

Performance of the U.S. Dollar Relative to Foreign Currencies

Index: 1992=100



Most analysts believe that the direct negative effects of the Southeast Asian crisis on Midwest manufacturing exporters will be smaller than for the U.S. overall. Asian markets account for approximately 12 percent of the market for Midwest manufacturers. However, Southeast Asia was the most rapidly growing market for Midwest exporters. On the import side, many Midwest industries (such as automotive and steel) will face increased competition from lower-priced imports.

MICHIGAN ECONOMY

Statewide, total employment grew 0.7 percent in the final quarter of 1997. Employment gains were reported across all major sectors of the state's economy except government. Due in part to this growth, the state's unemployment inched down to 3.8 percent in the quarter. State indicators suggest that further, but more modest, growth can be expected in the coming months.

Researchers at the Federal Reserve Bank of Chicago found in their monthly review of the business climate in the Great Lakes states that the region's manufacturers are still very active. However, they noticed a slight change in the adjectives being used by the businesses interviewed. New orders are now "holding up" instead of being "strong," and "lean" inventories are now "okay." The researchers also noted that Midwest businesses are beginning to be affected by the Southeast Asian crisis. Several exporters reported declining or canceled export orders, while others worry about a possible flood of imports. Businesses described their labor markets as still being tight, but wage pressures were confined to only those occupations in heavy demand or where skill levels were enhanced.

**Percent Change in Total Employment
December 1996 to December 1997**



Each figure represents an employment addition of 20,000 workers.



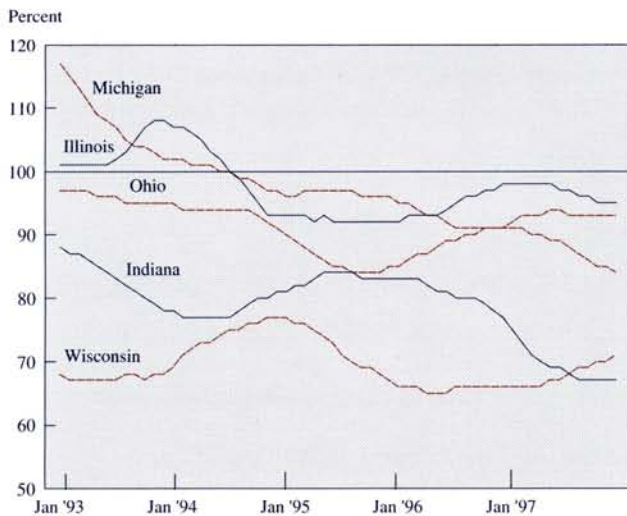
The unemployment rates in the Great Lakes states continued to stay below that of the nation except in Illinois, where it was above the national rate for the last two months of 1997. Total employment in the five-state Great Lakes region grew by 1.4 percent during the 12-month period ending in December of 1997. As shown on the map, the strongest percentage gains were in Wisconsin and Michigan.

**Manufacturing Employment and Earnings
(not seasonally adjusted)**

Great Lakes Region	December 1997	December 1996	Percent change
ILLINOIS			
Manufacturing employment	977,800	978,100	0.0
Average weekly hours	42.8	42.2	1.4
Average hourly earnings	\$13.56	\$13.21	2.6
INDIANA			
Manufacturing employment	677,100	672,900	0.6
Average weekly hours	44.0	44.1	-0.2
Average hourly earnings	\$15.00	\$14.78	1.5
MICHIGAN			
Manufacturing employment	967,200	971,000	-0.4
Average weekly hours	45.7	45.6	0.2
Average hourly earnings	\$17.61	\$17.00	3.6
OHIO			
Manufacturing employment	1,090,000	1,094,000	-0.4
Average weekly hours	44.8	44.3	1.1
Average hourly earnings	\$15.65	\$14.94	4.8
WISCONSIN			
Manufacturing employment	607,300	596,400	1.8
Average weekly hours	43.2	43.3	-0.2
Average hourly earnings	\$14.00	\$13.55	3.3
UNITED STATES			
Manufacturing employment (000)	18,694	18,469	1.2
Average weekly hours	43.1	42.8	0.7
Average hourly earnings	\$13.48	\$13.07	3.1

Manufacturing employment increased only 0.2 percent in the five states in 1997, well below the 1.2 percent gain reported nationwide. Manufacturers in Wisconsin and Indiana added workers, but manufacturers in Michigan and Ohio reduced their workforces.

Unemployment Rates Relative to the Nation (moving 12-month average)



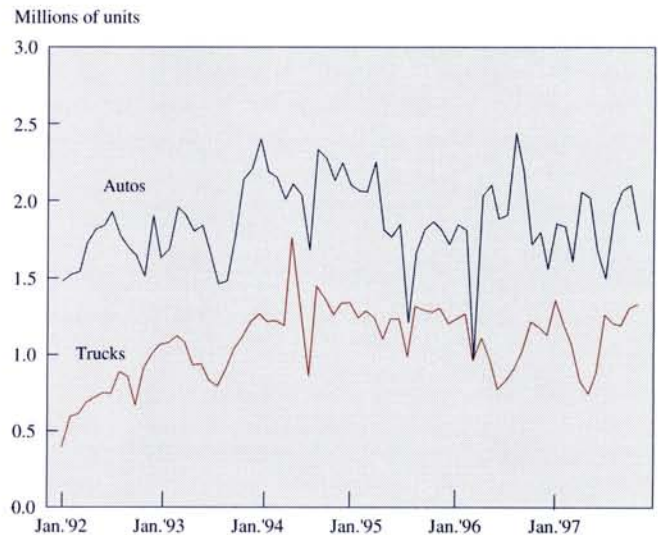
In Michigan, employment in the goods-producing sector rose a healthy 0.8 percent in the fourth quarter; employment gains were recorded among the state's manufacturers as well as in its construction industry. During the four-quarter period ending in December, the state's 1.0 percent gain in goods-producing employment was powered by a dramatic 10.3 percent jump in construction employment, while manufacturing employment in both durable and nondurable goods production fell. An industry-by-industry analysis of last year's employment performance by the state's manufacturing sector reveals a mixed bag. Employment in the Grand Rapids-Holland-based furniture industry grew by 4.0 percent, and electronic equipment employment rose 5.0 percent; however, nearly 9,000 jobs were lost in the state's auto-dominated transportation equipment industry. Not surprisingly, employment in the state's plastics and fabricated metals industries, which include many of the state's auto suppliers, was also off for the year.

Car and light truck sales reached 15.2 million units in 1997, which was slightly better than 1996's level of 15.1 million units. Boosted by stable (if not falling) gasoline prices, light truck sales increased 3.8 percent during the year, while car sales declined 2.8 percent. The Big Three were especially hit by declining car sales, their sales dropping by 6 percent while sales of both Japanese and European cars rose. Foreign vehicles' share of the U.S. market was up 1.2 percent in 1997, with Japanese vehicle sales up 3.9 percent and European vehicles climbing 12.8 percent. Given the

strength of the U.S. dollar, especially relative to the Japanese yen, deeper market penetration by foreign car producers can be expected in 1998.

Employment in the state's private service-producing sector rose 0.8 percent in the fourth quarter, with gains reported across all of the state's major service-producing industries. Further gains in service employment may be limited, in part, by the state's slower-than-average personal income growth. Personal income in the state totaled \$248.9 billion in the second quarter of 1997, for an increase of 0.9 percent over the first quarter. Personal income nationwide rose 1.1 percent. The state's below-average growth can be attributed primarily to a decrease in earnings in the manufacturing and mining sectors. Employment in the state's government sector rose by only 0.1 percent during the quarter.

Michigan Motor Vehicle Production (monthly)



The state's unemployment rate inched down to 3.8 percent in the quarter. The number of unemployed residents dropped by 17.6 percent in the past year.

The state's Index of Leading Indicators rose 2.0 percent in the fourth quarter, and all of the components of the index improved. Average weekly hours rose 0.5 percent, while the number of initial claims for unemployment insurance fell by 12.2 percent. Finally, the number of new dwelling units put under contract rose 4.6 percent.

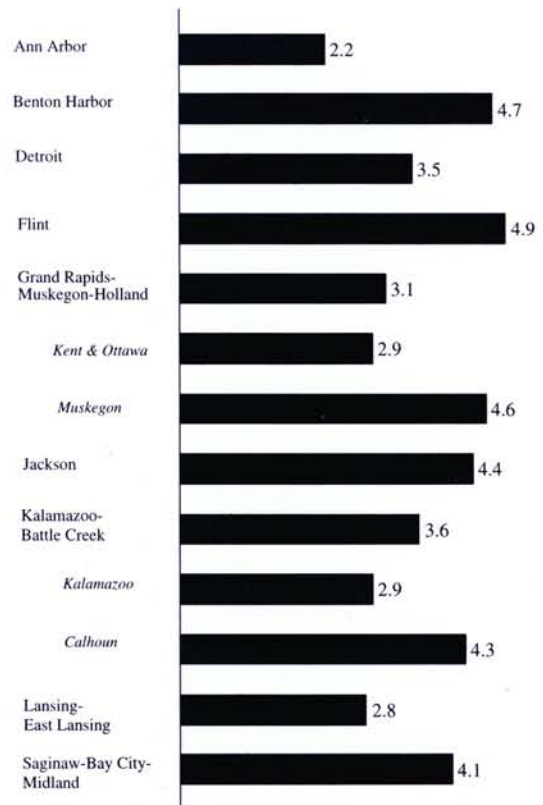
WEST MICHIGAN ECONOMY

Total employment in the three west Michigan metropolitan areas increased 0.7 percent during the final quarter of 1997. Employment gains were reported in all sectors except for a modest 0.1 percent decline in government. The region's unemployment rate slipped to 3.3 percent in the quarter. We are forecasting only modest employment gains in the first and second quarters of 1998.

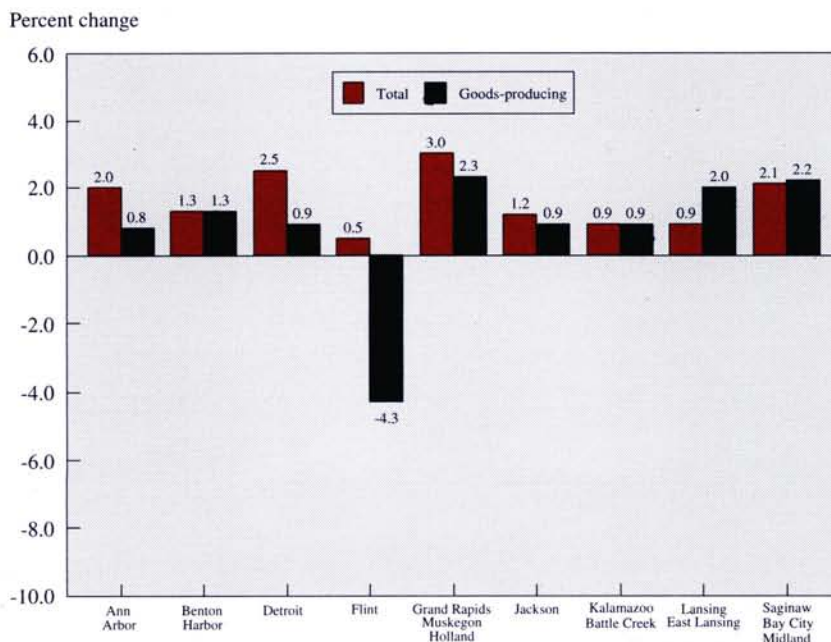
Employment rose in all nine metropolitan areas in the state during the four-quarter period ending at the close of 1997. Flint had the slowest growth, 0.5 percent, being dragged down by a 4.3 percent decline in manufacturing, while Grand Rapids-Muskegon-Holland grabbed top honors. Although greater Grand Rapids had the strongest performing economy in terms of job growth, Ann Arbor continued to have the lowest unemployment, 2.2 percent in the fourth quarter. All of the metropolitan areas in the state except Flint reported unemployment rates below the national average. Four, including Detroit, had unemployment rates that dipped below 4 percent.

Goods-producing employment in west Michigan increased only 0.2 percent in the final quarter of 1997. Manufacturing employment inched up 0.2 percent, while employment in the smaller construction industry rose 0.4 percent. Despite the quarter's weak performance, employment in the region's goods-producing sector rose 1.9 percent in 1997, compared to 1.0 percent in the entire state for

**Michigan Metropolitan Areas
4th Quarter Unemployment Rates
(seasonally adjusted)**



**Metropolitan Comparison
Percent Change in Employment 1996 Q4 to 1997 Q4
(seasonally adjusted)**



the year. Moreover, employment in all of the region's major industries that are shared among the three metropolitan areas increased during the year.

Employment in the region's private service-producing sector was up 1.1 percent in the fourth quarter, with all of the major industries experiencing employment gains. Finally, government employment was off 0.1 percent for the quarter.

The region's unemployment rate slipped to 3.3 percent in the fourth quarter. Not surprisingly, wage expectations have been rising among the region's job seekers; however, according to the state's employment service records, the experience and education levels of the region's job seekers have not deteriorated.

Our last quarter's forecast was far too pessimistic and our fourth-quarter projections were off by 0.5 percent for the entire region, consistently too low across all of the region's

major industries. Geographically, our forecast was only on the mark for the Kalamazoo-Battle Creek MSA.

The region's indicators gave mixed signals in the fourth quarter. The region's composite Index of Help-Wanted Advertising was off 1.5 percent, suggesting slow-to-moderate employment conditions in the region's service sectors. The Index of Leading Indicators moved up 2.4 percent, and all three components of the index, which concentrates on goods-producing employment, were positive in the quarter.

We forecast employment growth to be modest during the first two quarters of 1998 in the region, with total employment inching up only 0.1 percent in the current first quarter and by another 0.2 percent in the second quarter. Goods-producing employment is expected to decline slightly during the two quarters, while employment in private service-producing industries and government is foreseen to advance slowly during the six-month period.

Major Economic Developments

Battle Creek Area

Union Pump Co. merged with David Brown Group plc, a British pump manufacturer. The company employs 355 local workers and manufactures pumps for the oil, petrochemical, and chemical industries.

Field Container Co. of Chicago closed Michigan Carton Co., eliminating 143 jobs.

Ralston Holding Inc. announced that it will add 50 workers at its Battle Creek plant, which employs 100 workers.

Kal-Aero Inc. merged with Duncan Aviation Inc. The merger is not expected to affect Kal-Aero's 350 local employees.

Benton Harbor Area

National-Standard Co. in Niles has signed a contract to supply Magna International Inc. with more than \$25 million worth of welding wire over five years.

Transamerica Distribution Finance Corp. purchased Whirlpool Financial Corporation and is moving 138 jobs to Kansas and Illinois.

IDEX Corp. of Illinois purchased Gast Manufacturing Co. for approximately \$118 million. IDEX announced that it will let Gast, a maker of air compressors, vacuum pumps, and blowers employing about 630 people, be a stand-alone business.

DESA International Inc. purchased the consumer products division of Heath Co., which may affect 30 workers.

Tobian Metals expects to create 30-50 new jobs.

Grand Rapids Area

Lacks Industries announced an \$8.9 million expansion that will generate more than 100 jobs within two years.

Ada Beef will reopen its beef processing plant and rebuild to its former level of 150 employees.

Rich Products Corporation is closing, eliminating 120 jobs in Saugatuck.

Ridgeview Stamping, an auto supplier, will add 32 new employees.

Concord Metals expects to add 25 more jobs over the next two years.

Kalamazoo Area

State Farm is increasing the number of employees it is moving to Portage from 300 to 400.

A strike at Contempo involving 288 hourly workers was settled after eight weeks.

Mann & Hummel Automotive, a German company, bought Geiger Technics and is expected to keep production levels relatively unchanged.

J. Rettenmaier & Sohne, another German company, is building a fiber manufacturing facility that will initially have 25 to 40 employees.

Pharmaceutical Medical Plastics Inc., a manufacturer of plastic bottles for the pharmaceutical industry, recently opened and may add 50 workers to its workforce of 30.

Pre-Con Corp., a maker of architectural and structural pre-cast concrete products, is closing, eliminating 96 jobs.

Fort James laid off 30 workers from its folding carton department.

Muskegon Area

Howmet is taking job applications and interviewing potential new hires for the first time since 1984.

Weyburn-Bartel Inc., an automotive parts producer, is moving into Muskegon and bringing up to 40 new jobs to the county.

West Michigan Employment Forecasts

West Michigan (3 MSAs)	Q4 forecast results			Short-term forecasts			
	Actual	Forecast	Percent error	1998 Q1	Percent change	1998 Q2	Percent change
Benton Harbor	72,490	72,030	-0.6	72,620	0.2	72,410	-0.3
Grand Rapids-Muskegon-Holland	557,750	553,860	-0.7	558,190	0.1	559,400	0.2
Kalamazoo-Battle Creek	208,580	208,500	0.0	208,570	0.0	209,000	0.2
West Michigan							
Goods-producing	263,150	262,010	-0.4	262,840	-0.1	262,440	-0.2
Service-producing	479,920	477,240	-0.6	480,760	0.2	482,240	0.4
Government	95,600	95,150	-0.5	95,780	0.2	96,130	0.4
Total	838,670	834,400	-0.5	839,380	0.1	840,810	0.2

NOTE: Individual areas may not sum to total due to rounding in the seasonal adjustment procedure.

Michigan Statistics
(adjusted for seasonal variations)

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4
Employment					
Total employment	4,426,100	4,395,070	0.7	4,365,430	1.4
Goods-producing	1,148,190	1,139,000	0.8	1,136,260	1.0
Construction & mining	189,530	186,180	1.8	171,810	10.3
Manufacturing	958,660	952,820	0.6	964,450	-0.6
Durable goods	714,010	709,610	0.6	720,340	-0.9
Nondurable goods	244,650	243,200	0.6	244,110	0.2
Private service-producing	2,639,020	2,617,560	0.8	2,583,500	2.1
Transportation & pub. utilities	171,120	168,810	1.4	168,190	1.7
Wholesale trade	225,210	223,660	0.7	218,050	3.3
Retail trade	822,350	820,400	0.2	815,680	0.8
Finance, insurance & real estate	203,780	203,170	0.3	202,310	0.7
Services	1,216,560	1,201,510	1.3	1,179,270	3.2
Government	638,890	638,520	0.1	645,680	-1.1
Unemployment					
Number unemployed	187,340	191,100	-2.0	227,290	-17.6
Unemployment rate	3.8	3.9	-2.8	4.7	-18.0
State indexes					
Help-wanted ads:					
Detroit	N/A	N/A	N/A	142	N/A
West Michigan (2 MSAs)	135	137	-1.5	129	5.1
Leading indicators ^a	114	112	2.0	108	5.5
Local components:					
Average weekly hours	44.4	44.2	0.5	44.0	0.8
UI initial claims	12,238	13,935	-12.2	15,273	-19.9
New dwelling units ^b	42,633	40,750	4.6	43,382	-1.7

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F. W. Dodge Division, McGraw Hill Information Systems Company, Detroit Help-Wanted index from The Conference Board, and employment data from MESA.

NOTE: Categories may not sum to total due to rounding.

a. National components of the leading indicators are in Table A-3.

b. Seasonally adjusted annual rates.

Michigan Industry Employment Change
Fourth Quarter to Fourth Quarter
(unadjusted for seasonal variations)

Industry	1997 Q4	1996 Q4	Percent change	Industry	1997 Q4	1996 Q4	Percent change
Goods-producing	1,165,000	1,153,233	1.0	Auto dealers & serv. stations	87,900	85,933	2.3
Lumber & wood products	17,833	17,867	-0.2	Apparel & accessory stores	36,333	38,100	-4.6
Furniture & fixtures	39,500	37,967	4.0	Home furn. & equip. stores	35,800	35,867	-0.2
Primary metals	36,733	36,433	0.8	Eating & drinking places	290,567	291,167	-0.2
Fabricated metals	126,433	128,100	-1.3	Business services	293,800	277,967	5.7
Industrial machinery	133,800	133,167	0.5	Health services	365,067	361,333	1.0
Electronic equipment	35,033	33,367	5.0	Private educational services	45,367	45,000	0.8
Transportation equipment	282,567	291,500	-3.1	Social services	89,100	86,067	3.5
Food & kindred products	45,400	44,067	3.0	Government	662,267	668,967	-1.0
Apparel	18,067	19,033	-5.1	Federal government	53,333	56,233	-5.2
Paper & allied products	20,467	21,167	-3.3	State government	171,700	172,333	-0.4
Printing & publishing	44,000	43,133	2.0	Local government	437,233	440,333	-0.7
Plastics & rubber	67,667	68,800	-1.6	Local gov't health services	13,133	12,700	3.4
Private service-producing	2,658,067	2,602,333	2.1	Local gov't education	265,500	268,233	-1.0
General merchandise stores	138,533	137,833	0.5				
Food stores	111,033	108,100	2.7				

West Michigan (3 MSAs) Statistics
(adjusted for seasonal variations)

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	838,670	833,100	0.7	819,430	2.3	839,380	0.1	840,810	0.2
Goods-producing	263,150	262,540	0.2	258,300	1.9	262,840	-0.1	262,440	-0.2
Construction & mining	35,540	35,400	0.4	34,080	4.3				
Manufacturing	227,610	227,140	0.2	224,210	1.5				
Durable goods	141,900	141,450	0.3	139,230	1.9				
Nondurable goods	85,710	85,690	0.0	84,980	0.9				
Private service-producing	479,920	474,900	1.1	466,680	2.8	480,760	0.2	482,240	0.3
Transportation & pub. utilities	29,350	28,910	1.5	28,780	2.0				
Wholesale trade	45,760	45,530	0.5	44,240	3.4				
Retail trade	157,520	156,610	0.6	152,660	3.2				
Finance, ins. & real estate	35,850	35,550	0.8	34,780	3.1				
Services	211,440	208,300	1.5	206,220	2.5				
Government	95,600	95,660	-0.1	94,450	1.2	95,780	0.1	96,130	0.4
Unemployment									
Number unemployed	26,440	26,510	-0.3	31,830	-16.9				
Unemployment rate	3.3	3.4	-0.4	4.1	-18.2				
Local indexes									
Help-wanted ads (2 MSAs)	135	137	-1.5	129	5.1				
Leading indicators ^b	115	112	2.4	106	8.2				
Local components:									
Average weekly hours	43.0	42.8	0.4	42.7	0.8				
UI initial claims	1,558	1,768	-11.9	2,083	-25.2				
New dwelling units ^c	8,135	7,531	8.0	7,289	11.6				

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, ad count from the five major daily newspapers, and employment data from MESA.

NOTE: Categories may not sum to total due to rounding.

a. Percent change from the preceding quarter.

b. National components of the leading indicators are in Table A-3.

c. Seasonally adjusted annual rates.

West Michigan Industry Employment Change
Fourth Quarter to Fourth Quarter
(unadjusted for seasonal variations)

Industry	1997 Q4	1996 Q4	Percent change	Industry	1997 Q4	1996 Q4	Percent change
Goods-producing	263,733	258,933	1.9	Government	99,800	98,933	0.9
Primary metals	9,433	9,300	1.4	Federal government	9,633	9,533	1.0
Fabricated metals	30,733	30,500	0.8	State government	16,800	16,667	0.8
Industrial machinery	31,367	31,200	0.5	Local government	73,800	72,633	1.6
Food & kindred products	19,700	19,567	0.7				
Printing & publishing	10,633	10,533	0.9				
Plastics & rubber	17,867	17,467	2.3				
Private service-producing	484,933	471,500	2.8				
Health services	60,033	59,067	1.6				

BENTON HARBOR MSA

Total employment grew by 0.8 percent during the final quarter of 1997 in Berrien County. The employment gains were broadly based. Nevertheless, the area's unemployment rate inched upward to 4.7 percent in the quarter. We forecast area employment to increase by a modest 0.2 percent in the current first quarter but then to retreat in the second quarter.

Employment in the area's goods-producing sector rose 0.6 percent in the fourth quarter, pushed by a strong 6.3 percent gain in construction employment. For the year, construction employment in the county jumped 12.5 percent, reflecting an equally impressive 34.1 percent increase in the number of new dwelling units put under contract. Manufacturing employment was flat during the quarter and for the year as well.

Recent business reports have been positive. Tobian Metals plans to create 30 to 50 jobs in Benton Harbor during the next

year. Two of the county's better known companies have been recently purchased. IDEX Corporation purchased Gast Manufacturing Co., a maker of air compressors, vacuum pumps, and blowers. Reports suggest that employment levels at the 630-worker plant will hold steady. However, DESA International bought Heath Company's consumer products operations and may reduce its current workforce of 75 workers.

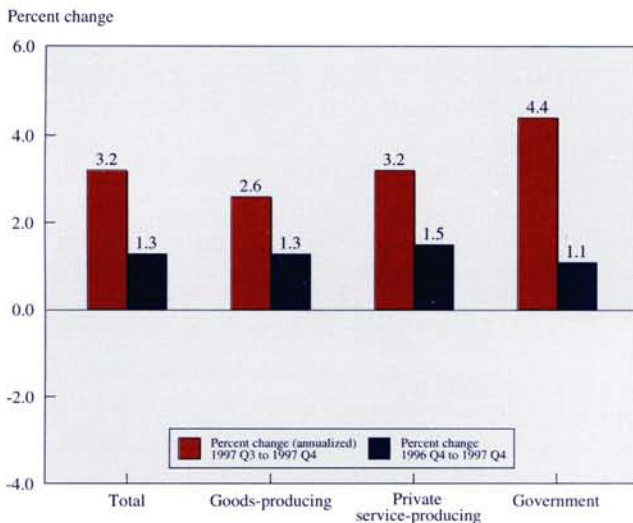
Employment in the county's private service-producing sector was up 0.8 percent in the quarter. Employment gains in the county's services, financial, and retail sectors more than offset employment reductions in wholesale and transportation and public utilities. Government employment increased by 1.1 percent in the quarter and for the year.

The employment impact of Transamerica Distribution Finance's recent purchase of Whirlpool Financial's consumer finance business is still unfolding. Transamerica Distribution has announced that it will transfer approximately 140 positions from the county's facility to existing offices in Kansas and Illinois and has not offered an estimate of the number of jobs that will remain in the area.

Despite the area's strong employment growth in the quarter, the unemployment rate crept up to 4.7 percent and the number of unemployed workers rose by 4.3 percent. Wage expectations of area job seekers have increased slightly during the past year, as the percentage of job seekers willing to accept \$7.00 or less per hour dropped from 61.4 percent to 55.8 percent.

The area's Index of Leading Indicators was up 3.5 percent in the quarter, suggesting stable to improving employment conditions in the area's goods-producing sector. We are forecasting total employment in Berrien County to increase 0.2 percent in the first quarter of 1998, but then to fall 0.3 percent in the second quarter.

Benton Harbor MSA Employment Growth
(seasonally adjusted)



Benton Harbor Labor Market Conditions

Industry	Average weekly wages		Percent change	Job Seekers ^a	November 1997 (%)	November 1996 (%)
	1996 Q4	1995 Q4				
Total	\$526.03	\$497.72	5.7	Wage expectations		
Manufacturing	732.15	666.53	9.8	\$7.00 or less	55.8	61.4
Retail	245.76	239.16	2.8	\$10.00 or more	13.4	12.4
Services	467.63	424.57	10.1	Work experience		
Finance	565.21	536.68	5.3	Less than 1 year	39.0	36.2
				4 or more years	33.6	35.9
				Education		
				Less than 12 years	17.3	18.1
				12 - 15 years	74.4	73.1
				16 years or more	8.3	8.8

a. Characteristics of individuals who have enrolled with MESA's Employment Service during the past 18 months.

Benton Harbor MSA
(adjusted for seasonal variations)

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	72,490	71,930	0.8	71,530	1.3	72,620	0.2	72,410	-0.3
Goods-producing	23,450	23,300	0.6	23,160	1.3	23,430	-0.1	23,330	-0.4
Construction & mining	2,520	2,370	6.3	2,240	12.5				
Manufacturing	20,920	20,930	0.0	20,920	0.0				
Durable goods	15,560	15,550	0.1	15,390	1.1				
Nondurable goods	5,370	5,380	-0.2	5,530	-2.9				
Private service-producing	40,550	40,230	0.8	39,970	1.5	40,690	0.3	40,580	-0.3
Transportation & pub. utilities	2,900	2,930	-1.0	2,890	0.3				
Wholesale trade	2,470	2,490	-0.8	2,440	1.2				
Retail trade	13,790	13,680	0.8	13,540	1.8				
Finance, ins. & real estate	2,610	2,570	1.6	2,610	0.0				
Services	18,780	18,570	1.1	18,480	1.6				
Government	8,490	8,400	1.1	8,400	1.1	8,500	0.1	8,500	0.0
Personal income^b	3,770	3,744	0.7	3,600	4.8	3,870	0.8	3,870	0.0
Unemployment									
Number unemployed	3,860	3,700	4.3	4,970	-22.3				
Unemployment rate	4.7	4.5	3.6	6.0	-21.8				
Local indexes									
Leading indicators ^c	114	110	3.5	103	10.4				
Local components:									
Average weekly hours	42.4	42.5	-0.1	42.8	-0.9				
UI initial claims	164	184	-11.0	221	-25.8				
New dwelling units ^d	639	448	42.5	476	34.1				

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, and employment data from MESA.

NOTE: Categories may not sum to total due to rounding.

a. Percent change from the preceding quarter.

b. Millions of dollars.

c. National components of the leading indicators are in Table A-3.

d. Seasonally adjusted annual rates.

Industry Employment Change
Fourth Quarter to Fourth Quarter
(unadjusted for seasonal variations)

Industry	1997 Q4	1996 Q4	Percent change	Industry	1997 Q4	1996 Q4	Percent change
Goods-producing	23,600	23,233	1.6	Private service-producing	40,933	40,367	1.4
Primary metals	2,400	2,367	1.4	Business services	4,500	4,433	1.5
Fabricated metals	1,467	1,400	4.8	Health services	5,933	5,900	0.6
Industrial machinery	4,833	4,700	2.8				
Food & kindred products	1,100	1,200	-8.3	Government	8,767	8,667	1.2
Printing & publishing	1,800	1,800	0.0	Federal government	400	400	0.0
Plastics & rubber	2,000	2,100	-4.8	State government	500	533	-6.2
				Local government	7,833	7,667	2.2
				Local gov't education	5,300	5,133	3.2

GRAND RAPIDS-MUSKEGON-HOLLAND MSA

Total employment increased a healthy 0.9 percent during the final quarter of 1997 in the four-county area. Employment gains were reported across all major sectors of the local economy except for construction. The increase in employment did not budge the area's unemployment rate, however, which remained at 3.1 percent. We are forecasting employment to grow only modestly during the first and second quarters of 1998.

Employment in the area's goods-producing sector rose only 0.2 percent in the final quarter. A 0.4 percent increase in manufacturing employment more than offset a 0.8 percent decline in construction and mining during the quarter.

Employment gains were recorded in all of the area's manufacturing industries during the past year. From the fourth quarter of 1996 to the fourth quarter of 1997, employment in the area's furniture industry increased by 900. 1997 was a surprisingly good year for the office furniture industry, with sales far exceeding analysts' expectations due to a heavy demand for panel and systems furniture. In fact, 1997 may have been the best year for the industry since 1985. Annual sales are expected to increase by a strong 5 percent in 1998.

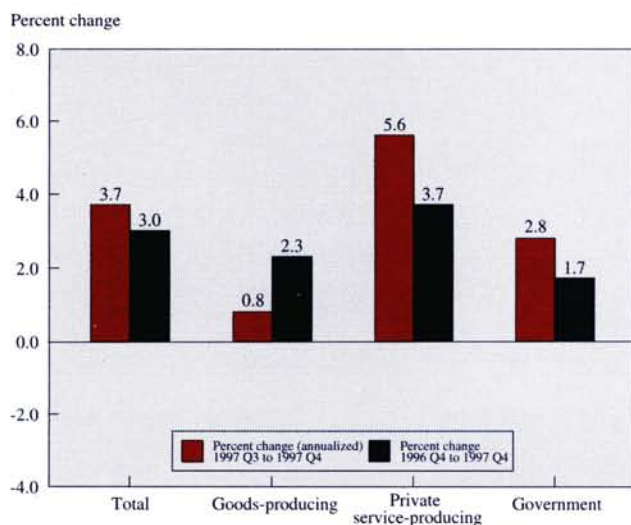
Employment in the area's private service-producing sector rose 1.4 percent in the quarter, with all of its major components reporting job gains. Employment gains in retail, financial, and services were particularly strong in 1997. Finally, government employment rose 0.7 percent during the final quarter.

The quarter's healthy employment gain was not enough to nudge the area's unemployment rate downward. Still, over the four-quarter period, the ranks of the unemployed in the four counties have fallen by 17.7 percent, or 3,800 individuals.

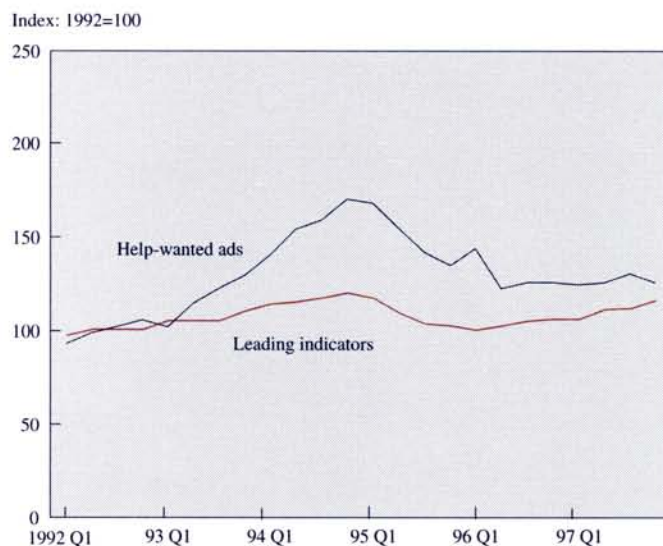
The area's economic indicators were mixed in the quarter. Its Index of Leading Indicators increased 2.8 percent, suggesting stable to improving conditions in the area's goods-producing sector, while its Index of Help-Wanted Advertising was down 3.1 percent, indicating a slowdown in the number of new jobs in the service-producing sector.

Our forecast for the four-county area calls for only a 0.1 percent increase in area employment during the current first quarter, followed by a modest 0.2 percent rise in the second quarter.

**Grand Rapids-Muskegon-Holland MSA
Employment Growth
(seasonally adjusted)**



**Grand Rapids-Muskegon-Holland MSA
Economic Indexes**



Grand Rapids-Muskegon-Holland MSA
(adjusted for seasonal variations)

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	557,750	552,660	0.9	541,410	3.0	558,190	0.1	559,400	0.2
Goods-producing	181,930	181,590	0.2	177,860	2.3	181,870	0.0	181,670	-0.1
Construction & mining	24,940	25,150	-0.8	24,180	3.1				
Manufacturing	156,990	156,430	0.4	153,670	2.2				
Durable goods	102,950	102,570	0.4	101,040	1.9				
Nondurable goods	54,040	53,870	0.3	52,640	2.7				
Private service-producing	322,470	318,090	1.4	311,090	3.7	322,800	0.1	324,060	0.4
Transportation & pub. utilities	19,460	19,100	1.9	18,990	2.5				
Wholesale trade	36,430	36,190	0.7	35,050	3.9				
Retail trade	103,830	103,090	0.7	99,780	4.1				
Finance, ins. & real estate	22,370	22,130	1.1	21,410	4.5				
Services	140,380	137,590	2.0	135,860	3.3				
Government	53,350	52,980	0.7	52,470	1.7	53,520	0.3	53,670	0.3
Personal Income^b	27,960	27,430	1.9	26,210	6.7	28,160	0.7	28,490	1.2
Unemployment									
Number unemployed	17,800	17,930	-0.7	21,630	-17.7				
Unemployment rate	3.1	3.1	-1.4	3.9	-19.7				
Local indexes									
Help-wanted ads	126	130	-3.1	125	0.9				
Leading indicators ^c	117	114	2.8	107	9.4				
Local components:									
Average weekly hours	42.2	42.3	0.0	42.3	-0.2				
UI initial claims	885	1,053	-15.9	1,321	-33.0				
New dwelling units ^d	5,577	5,459	2.2	5,367	3.9				

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, ad count from the *Grand Rapids Press* and the *Muskegon Chronicle*, and employment data from MESA.

NOTE: Categories may not sum to total due to rounding.

a. Percent change from the preceding quarter.

b. Millions of dollars.

c. National components of the leading indicators are in Table A-3.

d. Seasonally adjusted annual rates.

Industry Employment Change
Fourth Quarter to Fourth Quarter
(unadjusted for seasonal variations)

Industry	1997 Q4	1996 Q4	Percent change	Industry	1997 Q4	1996 Q4	Percent change
Goods-producing	182,100	178,167	2.2	Auto dealers & service	10,400	9,933	4.7
Furniture & fixtures	24,067	23,167	3.9	Eating & drinking places	35,500	33,667	5.4
Primary metals	5,600	5,467	2.4	Depository institutions	8,000	7,433	7.6
Fabricated metals	23,167	22,967	0.9	Business services	34,967	33,767	3.6
Industrial machinery	22,367	22,267	0.4	Health services	37,700	36,667	2.8
Transportation equipment	9,300	9,233	0.7	Educational services	9,833	9,200	6.9
Food & kindred products	12,233	11,867	3.1	Social services	10,633	10,500	1.3
Apparel & other textiles	7,500	7,100	5.6	Government	55,367	54,800	1.0
Printing & publishing	6,033	5,900	2.3	Federal government	4,133	3,933	5.1
Plastics & rubber	10,567	10,133	4.3	State government	7,033	6,933	1.4
Private service-producing	325,833	314,267	3.7	Local government	44,600	43,967	1.4
Gen'l merchandise stores	18,900	18,733	0.9	Local gov't education	29,600	28,800	2.8
Food stores	12,467	12,333	1.1				

Grand Rapids-Holland Area (Kent and Ottawa Counties)

Total employment rose an estimated 0.9 percent in the Grand Rapids-Holland area during the fourth quarter of 1997. The area's unemployment rate held steady at 2.9 percent in spite of the area's job growth. We are forecasting that employment will inch up only 0.1 percent in the current (first) quarter and by 0.2 percent in the second quarter.

Employment in the two-county area's goods-producing sector rose an estimated 0.2 percent in the final quarter. Recent business reports are positive, however. Ada Beef has reopened and plans to employ 150 workers by this summer. General Motors Corp. awarded Gentex Corp. the contract to build the interior auto mirrors for 30 different vehicles. Ridgview Stamping, an auto supplier, announced it is adding 32 new employees to its 180-person workforce. Lacks Industries announced an \$8.9 million expansion that could create more than 100 new jobs.

Employment in the area's service-producing sector rose an estimated 1.4 percent, and government employment was up 0.8 percent.

The area's unemployment rate remained at a very low 2.9 percent in the fourth quarter. Given the low unemployment rate, it is not surprising that wage expectations of area job seekers are rising. The percentage of individuals willing to work for \$7.00 or less per hour dropped from 54.3 percent in November 1996 to 42.9 percent in November 1997.

The area's economic indicators were mixed in the fourth quarter. The area's Index of Help-Wanted Advertising was down 3.4 percent, but the number of new claims for unemployment insurance fell 19.1 percent, and the number of new dwelling units put under contract rose. Still, we are forecasting employment in the two-county area to increase only 0.1 percent in the first quarter.

Grand Rapids Labor Market Conditions

	Average weekly wages		Percent change
	1996 Q4	1995 Q4	
Total	\$597.00	\$570.62	4.6
Manufacturing	785.48	737.25	6.5
Retail	305.75	295.40	3.5
Services	501.36	480.87	4.3
Finance	686.06	643.53	6.6
Job Seekers^a			
	November 1997 (%)	November 1996 (%)	
Wage expectations			
\$7.00 or less	42.9	54.3	
\$10.00 or more	18.8	14.1	
Work experience			
Less than 1 year	34.6	33.9	
4 or more years	34.0	35.5	
Education			
Less than 12 years	18.3	17.8	
12 - 15 years	70.4	72.4	
16 years or more	11.3	9.8	

a. Characteristics of individuals who have enrolled with MESA's Employment Service during the past 18 months.

Grand Rapids-Holland Area

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	455,510	451,320	0.9	442,020	3.0	455,850	0.1	456,750	0.2
Goods-producing	144,910	144,670	0.2	141,790	2.2	144,890	0.0	144,680	-0.1
Service-producing	271,790	268,140	1.4	262,180	3.7	272,000	0.1	272,990	0.4
Government	38,810	38,510	0.8	38,050	2.0	38,960	0.4	39,080	0.3
Personal Income^b	21,670	21,260	1.9	20,290	6.8	21,830	0.7	22,080	1.2
Unemployment									
Number	12,600	12,622	-0.2	15,369	-18.0				
Rate	2.9	2.9	0.0	3.6	-20.1				
Indicators									
Help-wanted ads	125	130	-3.4	125	0.3				
UI claims	615	760	-19.1	1,025	-40.0				
New dwelling units ^c	4,850	4,660	4.1	4,256	14.0				
Latest month (Feb.) Previous month (Jan.)									
Local Purchasing Management Index*		68.5		69.5					

NOTE: Figures are seasonally adjusted. *Index = (percent survey reporting improvement) + 0.5 (percent survey reporting no change).

a. Percent change from preceding quarter. b. Millions of dollars. c. Seasonally adjusted annual rates.

Muskegon Area

(Muskegon County)

Total employment in Muskegon County rose an estimated 1.0 percent in the final quarter of 1997. This strong employment growth pushed the unemployment rate down to 4.4 percent for the quarter. We forecast continued employment growth in the county, but at a slower pace. In the current first quarter, employment is forecast to increase by 0.2 percent, followed by an additional 0.3 percent increase in the second quarter.

Employment in the county's goods-producing sector rose an estimated 0.3 percent in the fourth quarter, and recent announcements suggest further growth. Howmet, Muskegon County's largest employer, is taking job applications and interviewing potential new hires for the first time since 1984, as it expands its workforce by up to 210 workers. Weyburn-Bartel Inc., an automotive parts manufacturer, plans to expand in Muskegon, creating up to 40 new jobs.

Employment in the county's service-producing sector increased an estimated 1.5 percent in the quarter, and government employment grew by 0.4 percent.

The ranks of the county's unemployed fell by 18 percent in 1997, as the unemployment rate dropped from 5.4 to 4.4 percent. Coupled with this decline has been an increase in wage expectations of area job seekers. Still, compared to the neighboring Grand Rapids-Holland area, Muskegon County has a much larger percentage of its job seekers, 55.1 percent, willing to accept jobs paying \$7.00 per hour or less, compared with 42.9 percent in the Grand Rapids-Holland area. In addition, 1996 wage increases in the county were substantially lower than those in the Grand Rapids-Holland area.

The area's economic indicators were mixed in the fourth quarter. The Index of Help-Wanted Advertising was down 3.4 percent, and the number of new dwelling units put under contract fell 2.2 percent. Still, the number of new claims for unemployment insurance was down 6.1 percent.

We are forecasting employment to rise by a modest 0.2 percent in the first quarter and then by 0.3 percent in the following quarter.

Muskegon Labor Market Conditions

	Average weekly wages		Percent change
	1996 Q4	1995 Q4	
Total	\$531.41	\$518.24	2.5
Manufacturing	733.71	726.92	0.9
Retail	262.49	258.73	1.5
Services	488.23	468.68	4.2
Finance	545.35	498.95	9.3
	November 1997 (%)	November 1996 (%)	
Job Seekers^a			
Wage expectations			
\$7.00 or less	55.1	62.5	
\$10.00 or more	13.9	12.2	
Work experience			
Less than 1 year	36.0	43.5	
4 or more years	35.3	32.8	
Education			
Less than 12 years	15.4	13.4	
12 - 15 years	76.5	79.1	
16 years or more	8.1	7.5	

a. Characteristics of individuals who have enrolled with MESA's Employment Service during the past 18 months.

Muskegon Area

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	65,000	64,370	1.0	63,070	3.0	65,130	0.2	65,330	0.3
Goods-producing	18,370	18,320	0.3	17,850	2.9	18,400	0.2	18,390	0.0
Service-producing	37,390	36,850	1.5	36,030	3.8	37,480	0.2	37,690	0.6
Government	9,240	9,200	0.4	9,190	0.5	9,250	0.1	9,250	0.0
Personal Income^b	3,630	3,560	1.9	3,410	6.3	3,660	0.8	3,700	1.1
Unemployment									
Number	3,619	3,763	-3.8	4,414	-18.0				
Rate	4.4	4.6	-4.5	5.4	-19.3				
Indicators									
Help-wanted ads	133	138	-3.4	128	4.2				
UI claims	273	291	-6.1	310	-12.1				
New dwelling units ^c	767	784	-2.2	1,134	-32.4				

NOTE: Figures are seasonally adjusted. a. Percent change from preceding quarter. b. Millions of dollars. c. Seasonally adjusted annual rates.

KALAMAZOO-BATTLE CREEK MSA

Total employment inched up by only 0.1 percent in the fourth quarter of 1997. Employment gains in the area's private sector were just enough to offset a substantial 1.1 percent reduction in government employment. The area's unemployment rate remained at 3.6 percent in the quarter. Although the area's economic indicators are positive, we are forecasting stagnant employment conditions for the first half of 1998.

Goods-producing employment was up 0.4 percent during the fourth quarter in the three-county metropolitan area, pushed by a 1.5 percent jump in construction employment. Manufacturing employment increased by a modest 0.2 percent for the quarter and for the year. Except for the area's plastics industry, employment in all of the area's major manufacturing industries declined last year; the largest reduction was in the area's paper industry. Moreover, the recent announcements suggest that the paper industry will shed even more jobs. Michigan Carton in Battle Creek is closing, eliminating 143 jobs, and Fort James in Kalamazoo is laying off workers due to the loss of a major contract with Kellogg.

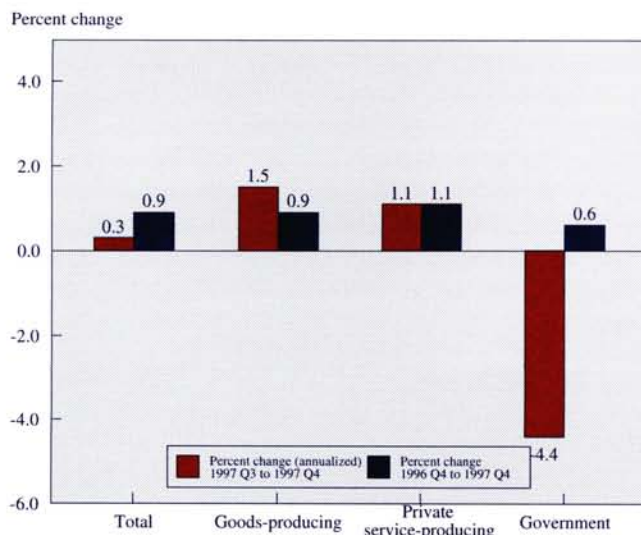
Employment in the area's service-producing sector rose 0.3 percent in the fourth quarter. Employment in the area's financial, insurance, and retail industries remained

unchanged in the quarter, while employment in services rose 0.4 percent. It should be noted that State Farm's relocation of up to 400 jobs from Marshall to Portage will have a minimal impact on the MSA's employment, since both cities are in the three-county region. Government employment was down 1.1 percent for the quarter.

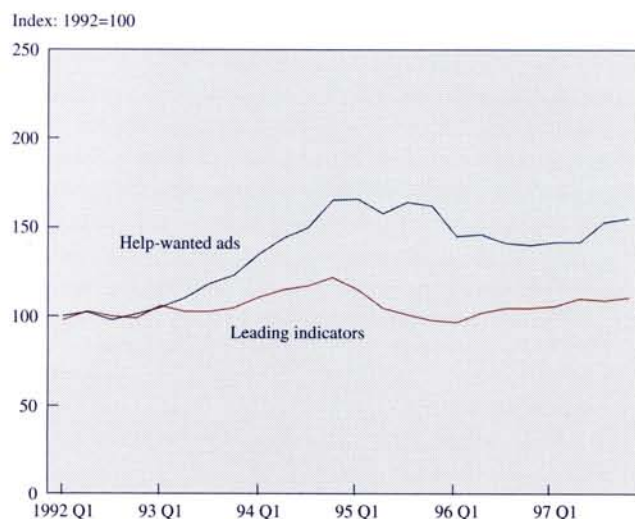
The area's unemployment rate held steady at 3.6 percent in the quarter. During 1997, the number of individuals unemployed fell by nearly 14 percent. Wage expectations of the area's job seekers continue to rise. During the 12-month period ending in November 1997, the percentage of individuals willing to accept \$7.00 or less per hour dropped from 57.4 to 48.6 percent in Kalamazoo and from 62.0 to 51.2 percent in Battle Creek.

All of the area's economic indicators are positive. The Index of Help-Wanted Advertising was up 0.6 percent and the Index of Leading Indicators moved up 1.9 percent, with all of the local components in the index improving. Still, due in part to the announced closing of Michigan Carton in Battle Creek and Pre-Con Concrete in Kalamazoo, we forecast total employment in the three-county area to remain unchanged in the current (first) quarter and to move upward by only 0.2 percent in the second quarter.

**Kalamazoo-Battle Creek MSA
Employment Growth
(seasonally adjusted)**



**Kalamazoo-Battle Creek MSA
Economic Indexes**



Kalamazoo–Battle Creek MSA
(adjusted for seasonal variations)

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	208,580	208,440	0.1	206,650	0.9	208,570	0.0	209,000	0.2
Goods-producing	57,770	57,560	0.4	57,300	0.9	57,540	-0.4	57,440	-0.2
Construction & mining	8,030	7,910	1.5	7,630	5.2				
Manufacturing	49,740	49,650	0.2	49,650	0.2				
Durable goods	23,420	23,240	0.8	22,830	2.6				
Nondurable goods	26,330	26,410	-0.3	26,820	-1.8				
Private service-producing	116,980	116,670	0.3	115,710	1.1	117,270	0.2	117,600	0.3
Transportation & pub. utilities	7,000	6,910	1.3	6,890	1.6				
Wholesale trade	6,850	6,840	0.1	6,750	1.5				
Retail trade	39,890	39,890	0.0	39,330	1.4				
Finance, ins. & real estate	10,860	10,860	0.0	10,760	0.9				
Services	52,370	52,180	0.4	51,980	0.8				
Government	33,830	34,210	-1.1	33,640	0.6	33,760	-0.2	33,960	0.2
Personal Income^b	11,070	10,940	1.2	10,550	4.9	11,150	0.7	11,260	1.0
Unemployment									
Number unemployed	8,110	8,160	-0.6	9,400	-13.7				
Unemployment rate	3.6	3.6	-0.6	4.2	-13.7				
Local indexes									
Help-wanted ads	155	154	0.6	137	12.9				
Leading indicators ^c	111	109	1.9	104	6.6				
Local components:									
Average weekly hours	45.8	44.9	2.1	43.8	4.5				
UI initial claims	512	541	-5.3	554	-7.5				
New dwelling units ^d	1,989	1,619	22.9	1,526	30.4				

SOURCE: W.E. Upjohn Institute for Employment Research. Based on dwelling data from F.W. Dodge Division, McGraw Hill Information Systems Company, ad count from the *Kalamazoo Gazette* and the *Battle Creek Enquirer*, and employment data from MESA.

NOTE: Categories may not sum to total due to rounding.

a. Percent change from preceding quarter.

b. Millions of dollars.

c. National components of the leading indicators are in Table A-3.

d. Seasonally adjusted annual rates.

Industry Employment Change
Fourth Quarter to Fourth Quarter
(unadjusted for seasonal variations)

Industry	1997 Q4	1996 Q4	Percent change	Industry	1997 Q4	1996 Q4	Percent change
Goods-producing	58,033	57,533	0.9	Private service-producing	118,167	116,867	1.1
Primary metals	1,433	1,467	-2.3	Gen'l merchandise stores	7,633	7,667	-0.4
Fabricated metals	6,100	6,133	-0.5	Auto dealers & service	4,300	4,167	3.2
Industrial machinery	4,167	4,233	-1.6	Eating & drinking places	15,267	14,867	2.7
Food & kindred products	6,367	6,500	-2.1	Health services	16,400	16,500	-0.6
Paper & allied products	4,700	5,000	-6.0	Government	35,667	35,467	0.6
Printing & publishing	2,800	2,833	-1.2	Federal government	5,100	5,200	-1.9
Chem. & allied products	6,933	7,000	-1.0	State government	9,267	9,200	0.7
Plastics & rubber	5,300	5,233	1.3	Local government	21,367	21,000	1.7

Kalamazoo Area

(Kalamazoo County)

Employment fell an estimated 0.2 percent in Kalamazoo County during the final quarter of 1997. Employment declines were estimated across all sectors. Despite these job losses, the area's unemployment rate inched down to 2.9 percent in the quarter. We forecast employment to remain unchanged in the first quarter and to move up only 0.1 percent in the second quarter.

Employment in the area's goods-producing sector inched down an estimated 0.1 percent in the final quarter. Recent business announcements suggest sluggish employment conditions will continue. An eight-week strike at Contempo (formerly Beach Products), which ended in February with its 288 unionized production workers approving the company's "last offer," will depress the county's first-quarter employment statistics.

J. Rettenmaier & Sohne, a German firm, and Pharmaceutical Medical Plastics Inc., producer of plastic bottles for the pharmaceutical industry, announced that together they will hire up to 70 workers in 1998. In addition, GAF Materials Corp. plans to reopen part of the former Portage Paper plant and could employ 50 to 60 workers. However, against these potential job openings is the scheduled March closure of Pre-Con Corp., a maker of architectural and structural pre-cast concrete products, which will eliminate 96 jobs.

Employment in the service-producing sector was off an estimated 0.1 percent in the fourth quarter. State Farm has upped the employment levels at their new Portage facility from 300 to 400. However, the outlook for employment in the county's service-producing sector is marred by pending

employment reductions at the recently acquired First of America.

The area's economic indicators are positive except for a decline in the local Purchasing Management Index. The Index of Help-Wanted Advertising rose 2.6 percent, new dwelling units put under contract rose 36.0 percent, and the number of new unemployment insurance claims fell slightly. Still, we expect employment to be flat in the first quarter and up only 0.1 percent in the second.

Kalamazoo Labor Market Conditions

	Average weekly wages		Percent change
	1996 Q4	1995 Q4	
Total	\$582.14	\$567.30	2.6
Manufacturing	888.69	860.32	3.3
Retail	252.20	252.22	0.0
Services	530.14	505.05	5.0
Finance	570.73	523.37	9.0
Job Seekers^a	November 1997 (%)	November 1996 (%)	
Wage expectations			
\$7.00 or less	48.6	57.4	
\$10.00 or more	18.2	14.7	
Work experience			
Less than 1 year	41.4	38.8	
4 or more years	26.9	28.5	
Education			
Less than 12 years	13.3	12.6	
12 - 15 years	74.1	74.3	
16 years or more	12.6	13.0	

a. Characteristics of individuals who have enrolled with MESA's Employment Service during the past 18 months.

Kalamazoo Area

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	122,700	122,980	-0.2	122,120	0.5	122,640	0.0	122,830	0.1
Goods-producing	31,930	31,970	-0.1	31,990	-0.2	31,810	-0.4	31,730	-0.3
Service-producing	73,470	73,510	-0.1	72,930	0.7	73,700	0.3	73,860	0.2
Government	17,300	17,500	-1.1	17,200	0.6	17,130	-1.0	17,240	0.7
Personal Income^b	6,350	6,310	0.7	6,080	4.5	6,400	0.7	6,460	1.0
Unemployment									
Number	3,522	3,634	-3.1	4,256	-17.3				
Rate	2.9	3.0	-3.0	3.5	-17.0				
Indicators									
Help-wanted ads	163	159	2.6	144	13.1				
UI claims	273	275	-0.5	285	-3.9				
New dwelling units ^c	1,457	1,072	36.0	1,086	34.2				
			Latest month (Feb.)	Previous month (Jan.)					
Local Purchasing Management Index*			57.0	53.0					

NOTE: Figures are seasonally adjusted. *Index = (percent survey reporting improvement) + 0.5 (percent survey reporting no change).

a. Percent change from preceding quarter. b. Millions of dollars. c. Seasonally adjusted annual rates.

Battle Creek Area (Calhoun County)

Total employment grew an estimated 0.5 percent in Calhoun County during the final quarter of 1997. Despite this gain, the county's unemployment rate moved up to 4.3 percent in the quarter. We are forecasting flat employment conditions for the current (first) quarter, followed by a 0.3 percent increase in the second quarter.

Employment in the area's goods-producing sector rose an estimated 1.0 percent in the final quarter. The area's gains are due in part to the success of firms like Technical Auto Parts Inc., which has created 130 jobs in the past year. However, Michigan Carton announced that it will close in February, and the loss of its 143 jobs will likely push the area's goods-producing sector into negative territory in the first quarter. On the positive side, Ralston is hiring 50 workers as it plans to increase cereal production at its Battle Creek plant, which currently employs 100 workers.

Employment in the county's service-producing sector rose an estimated 0.8 percent in the quarter, and government employment was down an estimated 1.2 percent.

The county's unemployment rate rose to 4.3 percent in the fourth quarter in spite of strong employment gains. A rising unemployment rate in the face of employment growth can be explained by either out-of-county commuters or the increase in available job openings causing more individuals to enter or reenter the labor force.

The area's economic indicators were mixed in the fourth quarter. The Help-Wanted Advertising Index was down 3.3

percent; however, the number of new claims for unemployment insurance fell 9.9 percent, and the number of new dwelling units put under contract rose 1.8 percent. We are forecasting total employment in the county to remain unchanged in the current (first) quarter and then to increase by 0.3 percent in the second quarter.

Battle Creek Labor Market Conditions

	Average weekly wages		Percent change
	1996 Q4	1995 Q4	
Total	\$552.34	\$533.28	3.6
Manufacturing	808.21	793.34	1.9
Retail	252.80	235.11	7.5
Services	458.93	447.47	2.6
Finance	690.88	651.51	6.0
Job Seekers^a	November 1997 (%)	November 1996 (%)	
Wage expectations			
\$7.00 or less	51.2	62.0	
\$10.00 or more	16.4	12.9	
Work experience			
Less than 1 year	43.7	48.5	
4 or more years	27.7	26.9	
Education			
Less than 12 years	12.9	12.8	
12 - 15 years	79.6	80.2	
16 years or more	7.4	7.0	

a. Characteristics of individuals who have enrolled with MESA's Employment Service during the past 18 months.

Battle Creek Area

Measure	1997 Q4	1997 Q3	Percent change Q3 to Q4	1996 Q4	Percent change Q4 to Q4	Forecast 1998 ^a		Forecast 1998 ^a	
						Q1	Percent change	Q2	Percent change
Employment									
Total employment	66,100	65,770	0.5	65,150	1.5	66,120	0.0	66,320	0.3
Goods-producing	19,790	19,600	1.0	19,430	1.9	19,680	-0.6	19,670	0.0
Service-producing	35,250	34,970	0.8	34,670	1.7	35,300	0.1	35,440	0.4
Government	11,060	11,200	-1.2	11,050	0.1	11,140	0.7	11,210	0.7
Personal Income^b	3,340	3,300	1.2	3,060	5.0	3,370	0.8	3,410	1.0
Unemployment									
Number	2,906	2,734	6.3	2,922	-0.5				
Rate	4.3	4.1	5.7	4.4	-1.4				
Indicators									
Help-wanted ads	133	138	-3.3	120	11.0				
UI claims	241	268	-9.9	271	-11.0				
New dwelling units ^c	546	536	1.8	457	19.4				

NOTE: Figures are seasonally adjusted.

a. Percent change from preceding quarter. b. Millions of dollars. c. Seasonally adjusted annual rates.

Appendix Tables

Table A-1
Index of Help-Wanted Advertising (1992=100)

Area	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Battle Creek	181	102	125	140	128	126	120	121	113	138	133
Benton Harbor	101	167	180	218	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grand Rapids	120	119	158	149	129	126	125	124	125	130	125
Kalamazoo	141	118	156	170	147	155	144	150	151	159	163
Muskegon	118	109	145	154	133	135	128	133	135	138	133
West Michigan, 3 MSAs	130	116	153	154	134	134	129	131	133	137	135
Detroit, Michigan LMA ^a	159	124	178	168	131	135	142	133	143	N/A	N/A
United States ^a	161	111	134	137	133	137	141	138	139	143	143

SOURCE: West Michigan indexes based on ad counts from the *Battle Creek Enquirer*, *Grand Rapids Press*, *Kalamazoo Gazette*, and *Muskegon Chronicle*; United States and Detroit indexes derived from The Conference Board.

a. Detroit LMA and United States Help-Wanted Indexes have not been adjusted for 1992=100.

Table A-2
Selected Labor Market Indicators
(not adjusted for seasonal variations)

Labor market area	Average for manufacturing production workers ^a December 1997			Civilian labor force unemployment rate ^b	
	Weekly hours	Hourly earnings	Weekly earnings	October 1997	December 1997
United States	42.0	\$13.25	\$ 561.80	4.4	4.4
Michigan	45.7	17.61	804.78	3.3	3.5
West Michigan MSAs:					
Benton Harbor	44.1	12.98	572.42	4.3	4.0
Grand Rapids-Muskegon-Holland	43.4	14.52	630.17	2.8	2.7
Kalamazoo-Battle Creek	46.4	15.66	726.62	3.1	3.3
Other labor market areas:					
Ann Arbor	48.5	19.24	933.14	1.9	2.0
Detroit	47.0	19.24	904.28	3.2	3.1
Flint	45.2	24.00	1,084.80	4.5	4.3
Jackson	44.7	13.06	583.78	4.0	3.9
Lansing-E. Lansing	42.7	19.10	815.57	2.5	2.7
Saginaw-Bay City-Midland	46.7	21.39	998.91	3.4	3.8

SOURCE: U.S. Department of Labor and the Michigan Employment Security Agency (most recent benchmark).

a. Preliminary. Earnings include overtime and part-time wages.

b. Seasonally adjusted rate for U.S. was 4.8 percent in October 1997 and 4.7 percent in December 1997. Seasonally adjusted rate for Michigan was 3.8 percent in October 1997 and 3.8 percent in December 1997.

Table A-3
Components of the Index of Leading Indicators

1. Index of Leading Indicators (1992=100)											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	105	106	119	109	101	110	103	105	110	110	114
Grand Rapids-Muskegon-Holland	110	107	118	109	104	112	107	107	112	114	117
Kalamazoo-Battle Creek	106	104	116	104	102	109	104	106	110	109	111
West Michigan, 3 MSAs	108	106	117	107	104	111	106	106	112	112	115
Michigan	111	106	119	109	106	111	108	108	112	112	114
2. Average Weekly Hours of Production Workers											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	40.8	43.2	43.4	42.6	42.3	42.5	42.8	42.2	42.9	42.5	42.4
Grand Rapids-Muskegon-Holland	40.5	42.3	42.8	41.9	41.7	42.2	42.3	41.8	42.0	42.3	42.2
Kalamazoo-Battle Creek	43.1	43.7	44.3	43.3	43.4	44.9	43.8	44.3	44.8	44.9	45.8
West Michigan, 3 MSAs	41.2	42.7	43.2	42.3	42.2	42.8	42.7	42.6	42.8	42.8	43.0
Michigan	42.2	43.0	44.9	44.3	43.8	44.4	44.0	44.5	44.3	44.2	44.4
United States	41.0	41.4	42.0	41.6	41.6	42.0	41.8	41.9	42.0	42.0	42.0
3. Initial Claims for Unemployment Insurance (Average per week)											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	236	210	183	192	228	183	221	207	175	184	164
Grand Rapids-Muskegon-Holland	1,380	1,290	1,145	1,237	1,425	1,097	1,321	1,355	1,096	1,053	885
Kalamazoo-Battle Creek	656	605	581	640	620	523	554	556	483	541	512
West Michigan, 3 MSAs	2,274	2,105	1,909	2,069	2,269	1,803	2,083	2,120	1,763	1,768	1,558
Michigan	17,212	16,731	12,958	14,919	15,969	13,696	15,273	15,114	13,497	13,935	12,238
United States	324,350	341,000	341,900	358,200	351,700	319,300	340,500	320,000	333,000	313,200	313,700
4. New Dwelling Units Put under Contract											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	359	514	541	544	563	493	476	454	430	448	639
Grand Rapids-Muskegon-Holland	6,005	4,521	4,879	4,827	5,398	5,410	5,367	4,875	5,730	5,459	5,557
Kalamazoo-Battle Creek	1,372	1,255	2,564	1,536	1,806	1,684	1,526	1,502	1,628	1,619	1,989
West Michigan, 3 MSAs	7,752	6,289	7,985	6,908	7,768	7,586	7,289	6,833	7,845	7,531	8,135
Michigan	51,400	37,394	39,643	39,125	44,880	40,886	43,382	37,706	42,454	40,750	42,633
5. National Association of Purchasing Management Survey (Selected components indexed)^a											
Component	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
New orders	123	114	125	100	106	117	111	117	121	119	112
Change in inventories	97	90	92	89	85	89	84	86	89	90	91
Vendor performance	91	104	120	105	101	108	103	103	108	110	110
Changes in material prices	143	104	145	124	91	104	97	106	99	106	106

SOURCE: National index from U.S. Department of Commerce, all others from the W. E. Upjohn Institute. Average weekly hours and initial claims based on information from the Michigan Employment Security Agency; number of housing units put under contract, F.W. Dodge Division, McGraw Hill Information Systems Company; survey data from the National Association of Purchasing Management. Seasonal adjustments by the Institute.

a. Survey results shown here are based on percent reporting conditions favorable to economic growth minus percent reporting conditions unfavorable to economic growth plus 100.

Table A-4
Employment Data for West Michigan MSAs and Michigan
(thousands of jobs - by place of work)

Total Employment^a											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	63.6	67.6	70.0	71.0	71.3	72.0	71.5	71.7	71.8	71.9	72.5
Grand Rapids-Muskegon-Holland	396.1	471.5	497.7	519.2	534.2	551.5	541.4	545.9	549.6	552.7	557.7
Grand Rapids-Holland	314.9	377.5	401.8	423.4	435.9	450.3	442.0	455.6	448.7	451.3	455.5
Muskegon	56.5	56.0	59.2	60.7	62.3	64.3	63.1	63.6	64.1	64.4	65.0
Kalamazoo-Battle Creek	177.6	196.2	201.7	205.5	206.3	208.0	206.7	207.3	207.7	208.4	208.6
Kalamazoo	104.4	115.5	119.1	120.6	121.6	124.7	122.1	122.3	122.5	123.0	122.7
Battle Creek	57.6	60.4	63.4	64.0	65.3	65.8	65.2	65.5	65.6	65.8	66.1
West Michigan, 3 MSAs	637.4	735.3	769.4	795.7	811.8	831.5	819.4	825.1	829.0	833.1	838.7
Michigan	3,717.9	3,997.1	4,139.2	4,265.5	4,337.6	4,402.1	4,365.4	4,390.0	4,397.1	4,395.1	4,426.1
Goods-Producing Employment^b											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	23.4	21.8	22.8	23.4	23.1	23.3	23.2	23.2	23.3	23.3	23.4
Grand Rapids-Muskegon-Holland	144.2	154.9	165.2	172.9	175.9	181.1	177.9	179.8	181.1	181.6	181.9
Grand Rapids-Holland	111.1	123.5	131.8	137.8	140.2	144.3	141.8	143.3	144.2	144.7	144.9
Muskegon	19.8	16.7	16.9	17.2	17.6	18.3	17.9	18.1	18.3	18.3	18.4
Kalamazoo-Battle Creek	54.3	55.8	56.7	58.1	57.6	57.5	57.3	57.3	57.5	57.6	57.8
Kalamazoo	33.0	31.9	32.1	32.1	32.1	31.9	32.0	31.9	32.0	32.0	31.9
Battle Creek	17.1	18.2	19.0	19.3	19.7	19.6	19.4	19.5	19.5	19.6	19.8
West Michigan, 3 MSAs	221.9	232.5	244.7	254.4	256.6	261.9	258.3	260.3	261.7	262.5	263.1
Michigan	1,093.4	1,041.2	1,094.4	1,132.6	1,134.6	1,142.7	1,136.3	1,143.2	1,140.5	1,139.0	1,148.2
Private Service-Producing Employment^c											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	31.7	36.8	38.2	38.9	39.7	40.2	40.0	39.9	40.0	40.2	40.6
Grand Rapids-Muskegon-Holland	208.2	266.1	281.4	294.8	306.2	317.4	311.1	313.3	315.8	318.1	322.5
Grand Rapids-Holland	203.8	216.8	234.3	248.4	257.9	267.6	262.2	264.1	266.2	268.1	271.8
Muskegon	36.8	30.3	33.2	34.1	35.4	36.8	36.0	36.3	36.6	36.9	37.4
Kalamazoo-Battle Creek	91.2	106.7	111.3	113.7	115.1	116.6	115.7	116.1	116.5	116.7	117.0
Kalamazoo	71.3	66.2	69.7	70.9	72.4	73.4	72.9	73.1	73.4	73.5	73.5
Battle Creek	40.5	30.9	33.4	33.7	34.6	35.0	34.7	34.8	34.9	35.0	35.3
West Michigan, 3 MSAs	331.1	409.6	430.9	447.4	461.0	474.2	466.7	470.0	472.4	474.9	479.9
Michigan	2,018.1	2,316.8	2,405.3	2,492.1	2,560.0	2,618.3	2,583.5	2,603.6	2,612.9	2,617.6	2,639.0
Government Employment											
MSA	Annual averages (Selected years)						Quarters adjusted for seasonal variations				
	1987	1993	1994	1995	1996	1997	1996	1997			
							Q4	Q1	Q2	Q3	Q4
Benton Harbor	8.5	9.1	8.9	8.7	8.4	8.5	8.4	8.5	8.5	8.4	8.5
Grand Rapids-Muskegon-Holland	80.3	50.5	51.1	51.4	52.2	53.0	52.5	52.8	52.7	53.0	53.3
Grand Rapids-Holland	31.1	37.2	35.7	37.1	37.8	38.5	38.1	38.3	38.3	38.5	38.8
Muskegon	8.9	9.0	9.1	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Kalamazoo-Battle Creek	32.1	33.7	33.6	33.7	33.5	33.9	33.6	33.9	33.7	34.2	33.8
Kalamazoo	16.7	17.4	17.3	17.3	17.1	17.3	17.2	17.3	17.1	17.5	17.3
Battle Creek	11.3	11.3	11.0	11.0	11.1	11.1	11.1	11.2	11.2	11.2	11.1
West Michigan, 3 MSAs	84.4	93.3	93.6	93.8	94.2	95.3	94.5	95.2	94.9	95.7	95.6
Michigan	606.3	639.1	639.5	640.7	643.1	641.1	645.7	643.2	643.8	638.5	638.9

SOURCE: Employment levels from 1987 to 1993 are from the Michigan Employment Security Agency. Employment levels for 1993 to present are calculated by the W.E. Upjohn Institute using ES202 quarterly employment statistics from MESA.

NOTE: Annual employment statistics are adjusted to reflect MESA's final average annual employment figures. Quarterly estimates are subject to change due to the addition of current quarter employment estimates.

a. Components may not add to totals because of rounding.

b. Manufacturing and construction and mining.

c. Transportation and public utilities, wholesale trade, retail trade, finance, insurance and real estate, and services.

Table A-5
Personal Income and Earnings by Industry
(\$000 current dollars)

Area	Income distribution	1990	1991	1992	1993	1994	1995
Benton Harbor MSA (Berrien County)	Total personal income	2,628,971	2,716,333	2,899,151	3,073,099	3,256,967	3,442,206
	Per capita income ^a	16,293	16,837	17,952	19,018	20,193	21,284
	Earnings by industry						
	Total nonfarm	1,750,874	1,773,521	1,917,030	2,068,668	2,200,617	2,308,158
	Private sector	1,537,759	1,549,163	1,678,417	1,824,556	1,950,136	2,047,603
	Manufacturing	684,014	689,393	747,701	830,898	860,908	890,850
	Government	213,115	224,358	238,613	244,112	250,481	260,555
Grand Rapids-Muskegon- Holland MSA	Total personal income	16,790,389	17,667,873	19,032,475	20,058,967	21,590,726	23,231,868
	Per capita income ^a	17,828	18,516	19,730	20,579	21,811	23,174
	Earnings by industry						
	Total nonfarm	12,794,862	13,077,009	14,091,423	15,044,490	16,567,627	17,913,912
	Private sector	11,535,934	11,724,415	12,654,541	13,513,621	14,941,119	16,253,165
	Manufacturing	4,638,116	4,732,749	5,062,887	5,409,456	5,992,467	6,452,751
	Government	1,258,928	1,352,594	1,436,882	1,530,869	1,626,508	1,660,747
Grand Rapids-Holland (Kent and Ottawa Counties)	Total personal income	13,008,818	13,685,485	14,823,146	15,618,182	16,823,344	18,138,072
	Per capita income ^a	18,813	19,510	20,891	21,773	23,018	24,466
	Earnings by industry						
	Total nonfarm	10,457,496	10,675,117	11,517,644	12,329,947	13,630,537	14,780,151
	Private sector	9,539,457	9,683,894	10,464,856	11,197,443	12,415,775	13,540,173
	Manufacturing	3,626,279	3,684,711	3,942,946	4,260,452	4,749,808	5,128,791
	Government	918,039	991,223	1,052,788	1,132,504	1,214,762	1,239,978
Muskegon County	Total personal income	2,341,616	2,448,547	2,571,236	2,686,270	2,852,049	3,040,996
	Per capita income ^a	14,696	15,233	15,880	16,502	17,489	18,581
	Earnings by industry						
	Total nonfarm	1,580,631	1,581,495	1,688,126	1,741,490	1,849,096	1,975,181
	Private sector	1,335,026	1,322,840	1,414,223	1,459,293	1,556,874	1,677,855
	Manufacturing	583,860	586,191	624,677	613,749	640,197	684,968
	Government	245,605	258,655	273,903	282,197	292,222	297,326
Kalamazoo-Battle Creek MSA	Total personal income	7,505,493	7,908,199	8,315,884	8,736,863	9,229,095	9,821,115
	Per capita income ^a	17,440	18,306	19,092	19,895	20,964	22,203
	Earnings by industry						
	Total nonfarm	5,526,896	5,783,619	6,159,178	6,433,568	6,783,410	7,218,284
	Private sector	4,659,686	4,867,510	5,198,122	5,440,851	5,758,887	6,163,142
	Manufacturing	2,041,546	2,114,815	2,259,595	2,297,586	2,397,217	2,538,727
	Government	867,210	916,109	961,056	992,717	1,024,523	1,055,142
Kalamazoo County	Total personal income	4,269,560	4,497,398	4,695,720	4,944,305	5,210,145	5,546,985
	Per capita income ^a	19,080	20,121	20,860	21,807	22,967	24,331
	Earnings by industry						
	Total nonfarm	3,336,349	3,491,199	3,673,741	3,846,224	4,020,736	4,280,713
	Private sector	2,893,506	3,016,143	3,178,603	3,340,170	3,506,210	3,740,827
	Manufacturing	1,269,230	1,315,576	1,348,849	1,353,642	1,386,774	1,448,890
	Government	442,843	475,056	495,138	506,054	514,526	539,886
Battle Creek Area (Calhoun County)	Total personal income	2,243,647	2,367,348	2,515,323	2,616,331	2,773,551	2,938,819
	Per capita income ^a	16,460	17,240	18,195	18,800	19,873	20,995
	Earnings by industry						
	Total nonfarm	1,746,421	1,830,971	1,987,342	2,045,259	2,192,850	2,318,386
	Private sector	1,420,311	1,495,164	1,633,183	1,677,753	1,809,093	1,935,101
	Manufacturing	654,303	675,205	767,719	787,222	854,388	913,331
	Government	326,110	335,807	354,159	367,506	383,757	383,285

SOURCE: Bureau of Economic Analysis, 1990 to 1995.

a. Per capita income is in actual dollars.

Table A-6
Consumer Price Index

Consumer Price Index (CPI), U.S. City Average (1982-84=100)													
Year	Annual Avg.	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CPI for All Urban Consumers (CPI-U)													
1984	103.9	101.9	102.4	102.6	103.1	103.4	103.7	104.1	104.5	105.0	105.3	105.3	105.3
1985	107.6	105.5	106.0	106.4	106.9	107.3	107.6	107.8	108.0	108.3	108.7	109.0	109.3
1986	109.6	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3	110.4	110.5
1987	113.6	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4	115.4
1988	118.3	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3	120.5
1989	124.0	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	125.9	126.1
1990	130.7	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8
1991	136.2	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9
1992	140.3	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9
1993	144.5	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8
1994	148.2	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7
1995	152.4	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5
1996	156.9	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6
1997	160.5	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3
CPI for Urban Wage Earners and Clerical Workers (CPI-W)													
1984	103.3	101.6	101.8	101.8	102.1	102.5	102.8	103.2	104.2	104.8	104.8	104.7	104.8
1985	106.9	104.9	105.4	105.9	106.3	106.7	107.0	107.1	107.3	107.6	107.9	108.3	108.6
1986	108.6	108.9	108.5	107.9	107.6	107.9	108.4	108.4	108.6	109.1	109.1	109.2	109.3
1987	112.5	110.0	110.5	111.0	111.6	111.9	112.4	112.7	113.3	113.8	114.1	114.3	114.2
1988	117.0	114.5	114.7	115.2	115.7	116.2	116.7	117.2	117.7	118.5	118.9	119.0	119.2
1989	122.6	119.7	120.2	120.8	121.8	122.5	122.8	123.2	123.2	123.6	124.2	124.4	124.6
1990	129.0	125.9	126.4	127.1	127.3	127.5	128.3	128.7	129.9	131.1	131.9	132.2	132.2
1991	134.3	132.8	132.8	133.0	133.3	133.8	134.1	134.3	134.6	135.2	135.4	135.8	135.9
1992	138.2	136.0	136.4	137.0	137.3	137.6	138.1	138.4	138.8	139.1	139.6	139.8	139.8
1993	142.1	140.3	140.7	141.1	141.6	141.9	142.0	142.1	142.4	142.6	143.3	143.4	143.3
1994	145.6	143.6	144.0	144.4	144.7	144.9	145.4	145.8	146.5	146.9	147.0	147.3	147.2
1995	149.8	147.8	148.3	148.7	149.3	149.6	149.9	149.9	150.2	150.6	151.0	150.9	150.9
1996	154.1	151.7	152.2	152.9	153.6	154.0	154.1	154.3	154.5	155.1	155.5	155.9	155.9
1997	157.6	156.3	156.8	157.0	157.2	157.2	157.4	157.5	157.8	158.3	158.5	158.5	158.2

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

NOTE: Monthly data are shown above unadjusted for seasonal variations. Unadjusted CPI data are used extensively for escalation purposes. Although the CPI is often called the "Cost-of-Living Index," it measures only price change, which is just one of several important factors affecting living costs. All CPI series are linked historically to the original CPI Index for Urban Wage Earners and Clerical Workers.

These series contain no revision but are reprinted for the convenience of the user.

PERCENT CHANGE: Movements of these indexes from one time period to another are usually expressed as percent changes rather than changes in index points. Index point changes are affected by the level of the index in relation to its base period while percent changes are not. Examples of computation follow:

$$\frac{100 \times [108.6 \text{ (1986 annual avg.)} - 106.9 \text{ (1985 annual avg.)}]}{106.9 \text{ (1985 annual avg.)}} = 1.6\% \text{ change 1985 to 1986, CPI-W.}$$

$$\frac{100 \times [109.3 \text{ (1986 December)} - 108.6 \text{ (1985 December)}]}{108.6 \text{ (1985 December)}} = 0.6\% \text{ change December 1985 to December 1986, CPI-W.}$$

$$\frac{100 \times [110.0 \text{ (1987 January)} - 109.3 \text{ (1986 December)}]}{109.3 \text{ (1986 December)}} = 0.6\% \text{ change December 1986 CPI-W to January 1987, CPI-W.}$$

Table A-7
Population Update for Selected Areas

Area	1996	1995	1994	1990	1980	Annual percent change	
						1990-1996	1980-1990
Michigan	9,594,350	9,537,948	9,491,836	9,295,287	9,262,078	0.5	0.0
West Michigan Metropolitan Areas:							
Benton Harbor MSA	161,434	161,730	161,294	161,378	171,276	0.0	-0.6
Benton Harbor	11,824	11,942	12,028	12,818	14,707	-1.4	-1.4
Niles (part)	11,811	11,948	12,035	12,456	13,115	-0.9	-0.5
St. Joseph	8,766	8,865	8,929	9,214	9,622	-0.8	-0.4
Grand Rapids-Muskegon-Holland MSA	1,444,370	1,431,531	1,417,814	1,357,790	1,243,312	1.1	0.9
Kent County	536,103	531,232	525,656	500,631	444,506	1.2	1.2
Grand Rapids	188,242	188,819	188,917	189,126	181,843	-0.1	0.4
Kentwood	41,816	41,431	40,860	37,826	30,438	1.7	2.2
Walker	18,971	18,713	18,442	17,279	15,088	1.6	1.4
Wyoming	66,571	66,272	66,086	63,891	59,616	0.7	0.7
Ottawa County	215,064	210,127	205,206	187,768	157,174	2.3	1.8
Grand Haven	12,142	12,175	12,153	11,951	11,763	0.3	0.2
Holland (part)	26,737	26,673	26,547	25,086	26,281	1.1	-0.5
Muskegon County	164,913	163,661	163,075	158,983	157,589	0.6	0.1
Muskegon	39,518	39,758	39,687	39,809	40,823	-0.1	-0.3
Muskegon Heights	12,564	12,669	12,805	13,176	14,611	-0.8	-1.0
Norton Shores	22,710	22,503	22,395	21,755	22,025	0.7	-0.1
Allegan County	99,019	97,498	95,985	90,509	81,555	1.5	1.0
Kalamazoo-Battle Creek MSA	625,886	623,433	621,378	611,229	581,575	0.4	0.5
Kalamazoo County	229,008	227,984	226,849	223,411	212,378	0.4	0.5
Kalamazoo	77,460	77,815	77,742	80,277	79,722	-0.6	0.1
Portage	43,317	43,008	42,514	41,042	38,157	0.9	0.7
Calhoun County	140,112	139,476	139,562	135,982	141,579	0.5	-0.4
Battle Creek	53,430	53,583	53,785	53,516	35,724	0.0	4.1
Marshall	7,251	7,185	6,965	6,941	7,201	0.7	-0.4
Van Buren County	75,308	74,382	73,961	70,060	66,814	1.2	0.5
Total	2,231,690	2,216,694	2,200,486	2,130,397	1,996,163	0.8	0.7
Rural Southwest Michigan:							
Barry County	53,145	52,574	52,107	50,057	45,781	1.0	0.9
Branch County	42,991	42,675	42,015	41,502	40,188	0.6	0.3
Cass County	50,050	49,635	49,093	49,477	49,499	0.2	0.0
Newaygo County	44,285	43,451	42,603	38,206	34,917	2.5	0.9
Oceana County	24,379	23,988	23,579	22,454	22,002	1.4	0.2
St. Joseph County	60,977	60,501	59,991	58,913	56,083	0.6	0.5
Total	275,827	272,824	269,388	260,609	248,470	1.0	0.5

SOURCE: State of Michigan Department of Management and Budget and U.S. Bureau of the Census.

Data Sources for Business Outlook

NATIONAL ECONOMY

Output

Gross Domestic Product—*Survey of Current Business*
Cyclical Economic Indicators—National Association of Purchasing Management *News Release*, and U.S. Department of Commerce *News*
Change in Nonfarm Business Inventories and Percent Change in the Ratio of Inventories to Final Sales of Goods and Structures—*Survey of Current Business*

Labor

Nonfarm Employment and Change in Average Weekly Hours—*Employment and Earnings*
Productivity and Unit Labor Costs—*Monthly Labor Review*
Unemployment Rates and Initial Claims—*Economic Indicators*

Inflation and Interest Rates

Price Indexes—National Association of Purchasing Management *News Release*, CPI *Detailed Report*, and PPI *Detailed Report*
Short-Term Capital Rates—*Federal Reserve Bulletin* and *Economic Indicators*
Long-Term Capital Rates—*Federal Reserve Bulletin* and *Economic Indicators*
Yield Curves—*The Wall Street Journal*

Consumer Spending

Growth in Consumer Spending—*Survey of Current Business*
Consumer Debt—*Economic Indicators*
Motor Vehicle Sales—U.S. Department of Commerce

Investment

New Residential, Commercial, and Industrial Construction—*Economic Indicators*
Plant and Equipment Expenditures—*Survey of Current Business*
Nonresidential Investment Composition—*Survey of Current Business*

International Trade

U.S. Trade in Goods and Services—*Survey of Current Business*
International Industrial Production—*Economic Indicators*
Trade-Weighted Dollar—*Federal Reserve Bulletin*

MICHIGAN ECONOMY

Percent Change in Total Employment—*Employment and Earnings*
Manufacturing Employment and Earnings—*Employment and Earnings*
Unemployment Rates Relative to the Nation—*Employment and Earnings*
Michigan Motor Vehicle Production—*Michigan Economic Indicators*
Percentage Change in Retail Sales—*Monthly Retail Trade*

WEST MICHIGAN ECONOMY

West Michigan Residential Construction Trends—*Dodge Construction Reports*

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